POLICY RESPONSES TO ENVIRONMENTALISM IN LIBERAL DEMOCRATIC POLITICAL SYSTEMS: A CASE STUDY OF ECOLOGICALLY SUSTAINABLE DEVELOPMENT IN AUSTRALIA

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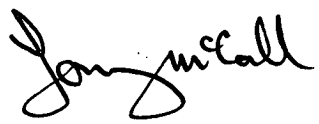

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Abbreviations

ABC	Australian Broadcasting Commission
ACF	Australian Conservation Foundation
ACM	Australian Chamber of Manufactures
ACTU	Australian Council of Trade Unions
AGPS	Australian Government Printing Service
ALGA	Australian Local Government Association
AMC	Australian Manufacturing Council
ANZECC	Australian and New Zealand Environment and Conservation Council
APPM	Australian Associated Pulp and Paper Mills
APSA	Australian Political Science Association
AWRC	Australian Water Resources Council
BCA	Business Council of Australia
CAI	Chamber of Australian Industry
CFC	Chlorofluorocarbons
CCNT	Conservation Council of the Northern Territory
CEPA	Commonwealth Environment Protection Agency
COAG	Council of Australian Governments
CSIRO	Commonwealth Scientific and Industry Research Organisation
DASETT	Department of Arts, Sport, Environment, Tourism and Territories
DEST	Department of Energy, Science and Technology
DITC	Department of Industry, Technology and Commerce

DITRD	Department of Industry, Technology, Research and Development
DMWGR	Draft Manufacturing Working Group Report
DPIE	Department of Primary Industry and Energy
DPM&C	Department of Prime Minister and Cabinet
DSP	Dominant Social Paradigm
EA	Environment Australia
EIS	Environmental Impact Statement
ESD	Ecologically Sustainable Development
ESDWG	Ecologically Sustainable Development Working Group
FIRB	Foreign Investment Review Board
ICESD	Intergovernmental Committee on Ecologically Sustainable Development
IGAE	Intergovernmental Agreement on the Environment
IPPC	Intergovernmental Panel on Climate Change
IUCN	International Union for the Conservation of Nature and Natural Resources
MIM	Mount Isa Mines
MPFU	Major Projects Facilitation Unit
NBH	North Broken Hill
NCSA	National Conservation Strategy for Australia
NEP	New Environmental Paradigm
NEPA	National Energy Policy for Australia
NEPC	National Environmental Protection Council
NFPS	National Forest Policy Statement
NGO	Non-government Organisation
NGRS	National Greenhouse Response Strategy

NICP	Noarlunga Industrial Chemicals Project
NLC	Northern Land Council
NSESD	National Strategy for Ecologically Sustainable Development
NT	Northern Territory
RAC	Resource Assessment Commission
RFA	Regional Forestry Agreement
RIPAA	Royal Institute of Public Administration Australia
SDAC	Sustainable Development Advisory Council
TAC	Total Allowable Catch
UNCED	United Nations Council for Environmental Development
UNEP	United Nations Environmental Program
UNSWP	University of New South Wales Press
WTO	World Trade Organisation
WWF	World Wildlife Fund

Abstract

Policy Responses to Environmentalism in Liberal Democratic Political Systems: A Case Study of Ecologically Sustainable Development in Australia

Liberal democratic political systems faced numerous political challenges in the 1980s and 1990s. One of the most significant was the increasing attention to the environment, and the concomitant rise of environmentalism as a social and political force. Environmentalism posed an unique challenge through its questioning of one of the fundamental paradigms of the liberal economic state - a commitment to growth. This thesis focuses on how the Australian liberal democratic systems responded to the political challenge posed by environmentalism through a case study of the Ecologically Sustainable Development (ESD) process.

This thesis argues that this process was framed by a series of legitimating tasks: the need to secure economic stability and growth; the need to maintain order and the need to 'stay afloat' in the global economy. These tasks provide a series of structural imperatives that shape and constrain the policy responses to environmentalism. At the same time the state faced an increasingly complex and uncertain policy environment, with demands for a more open, participatory policy process. These elements provide competing ideas and values within the environmental policy process, identified as competing discourses.

This thesis utilises an analytic framework drawn from discourse analyses of the ESD process, with a particular emphasis on the manufacturing sector. The thesis examines the ESD process in Australia, and the establishment of sectoral specific working groups such as that focusing on manufacturing. It is within the sectoral working groups that alternative discourses over ESD were articulated. Analysis of the ESD process in general, and within the manufacturing sectoral working group in particular, provides the opportunity to examine how significant environmental challenges were identified and met.

An examination of the competing discourses within the ESD process, both in general and in the specific case as applied to the manufacturing sector, provides a key to the successful institutionalisation of environmental conflict. Utilising post-positivist discourse analysis identifies the complexities in this process sometimes subsumed as incorporation or cooptation. This analysis identifies the key elements of competing discourses, the influence these discourses have on policy outcomes, and how these outcomes in turn help to frame ongoing policy responses, and help reinforce the legitimating tasks of government.

Chapter One
Liberal Democratic States and the Challenge of Environmentalism: An Introduction

Background: Environmental Challenge in Australia

Environmental conflict and what appeared to be *ad hoc* political responses, dominated the Australian political landscape of the 1980s. This conflict included the following prominent disputes: the Franklin Dam in Tasmania; Coronation Hill in the Northern Territory; continuing conflict over resource management issues relating to forestry, principally the continued logging of old growth forests; and the Wesley Vale pulp mill dispute in Tasmania 1988-89.[1] The conflict that arose around these disputes had given rise to critical appraisal and condemnation of government's failure to manage environmental or resource management policy, particularly from industry. The result was the emergence of a new dynamic in the development of environmental policy in Australia.

As a consequence of this reappraisal, the central dynamic shaping the development of environmental policy in Australia over the past decade has been the attempt to align environmental

[1] These issues are covered in various Chapters in: K.J. Walker, (ed.) *Australian Environmental Policy: Ten Case Studies,* University of New South Wales Press, Kensington, 1992. For a discussion of the Coronation Hill dispute, see: N. Economou, 'Accordism and the Environment: the Resource Assessment Commission and

issues to the larger macro and micro economic reform agenda. This dynamic was particularly relevant during the period of the Hawke/Keating Labor Commonwealth governments that governed between 1983-96. The principal policy instrument for this alignment was the establishment of a form of sustainable development - ecologically sustainable development (ESD) - as an acceptable policy framework.

In this respect, the Australian government was attempting to mirror international initiatives aimed at *integrating* economic development imperatives with environmental concerns. The search for an integrated ESD approach represented a distinct change from the 70s-80s 'balancing act' or the ill-fated 'take it (the environment) into consideration' that dominated initiatives in the environmental policy arena.

As a result of these political pressures the Australian Labor government, re-elected in early 1990, sought to incorporate the policy problems associated with the development/environment political conflict within an institutional framework that it controlled.[2] That these disputes occurred at a time of economic

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National Environmental Policy-Making ', *Australian Journal of Political Science,* Vol. 28, No. 3, November, 1992, pp. 399-412.

[2] B. Galligan, & G. Lynch, *Integrating Conservation and Development - Australia's Resource Assessment Commission and the Testing Case of Coronation Hill,* Federalism Research Centre, Australian National University (ANU), Canberra, 1992.

restructuring, exacerbated the need for a more *pro-active* as distinct from *reactive* governance response.[3] The macro economic agenda saw the government attempting to lay the foundations for an internationally competitive economy by creating a sound investment climate. Political conflict over environmental policy undermined this policy approach. The institutionalisation of political conflict within a suitable policy framework became a priority following the collapse of the Wesley Vale pulp mill project in north-west Tasmania. It is the nature of this institutionalisation through the Ecologically Sustainable Development (ESD) process that is a central focus of this thesis.

A basic premise underpinning this thesis is that, following the failed Wesley Vale Pulp Project, environmental policy formation was driven by structural political imperatives, not ecological ones. These imperatives were: reduce the number of bitter disputes over particular projects; to increase business certainty; and to reduce the demands on the Commonwealth to reverse decisions or intervene in such disputes. The Ecologically Sustainable Development (ESD) process became the framework through which these goals were articulated and achieved.

[3] There is a vast literature on this policy realignment. For a comprehensive critique see: S. Bell, *Ungoverning the Economy*, Oxford University Press, Melbourne, 1997.

ESD was seen to be a useful framework for the institutionalistion of this political conflict with the parallel advantage of being a policy process that would channel diverse viewpoints into a negotiating forum, the quasi-corporatist Accord model so favoured by Prime Minister Hawke.[4] Within this forum broad objectives could be formulated and a sense of shared responsibility for outcomes could be encouraged through the acceptance of agreed frameworks and processes.

The policy thinking behind the adoption of ESD was the view that if the stakeholders were actively involved in the process this would give a *legitimacy* to the outcomes and hence *lock* the stakeholders into ownership of the outcomes, making it difficult to re-ignite political conflict. More importantly, ESD returned decision-making to the institutional forum that the state controlled. The media's portrayal of disputes where the state was 'represented' by a grey-suited bureaucrat or politician at the site of contestation, merely reinforced the public's view that the state was largely irrelevant or insensitive to the issues at the local level that attracted

[4] The Accord model is a reference to a corporatist model of industrial relations policy initiated by Hawke as Prime Minister (he had been President of the ACTU, Australia's peak trade union body before entering parliament). Essentially, the Accord process was a series of agreements reached between the government and unions and in the later versions, industry, within a consensual framework. Within the Accord, wage increases were largely traded off for a range of 'social wage' incentives, largely provided by government. These included, the provision of a universal health system, the commencement of superannuation for workers that included employer contributions and increased funding for child care assistance. Once industry entered the 'negotiations' there was an insistence built into the

not a recourse to 'rational argument' or an appeal to 'science' as a solution, but passion and commitment.

Within six months of his government's re-election,[5] Prime Minister Hawke was writing to the newly appointed Chairs of his government's Ecologically Sustainable Development Working Groups (ESDWG) outlining their role and emphasising the significance the Labor government attached to the process. Some of the points outlined by Prime Minister Hawke in this letter include:

> I regard the formulation of strategies for sustainable development in Australia in Australia's major industry sectors as one of the most *pressing* and important tasks to be undertaken by my Government, focussing as it does on measures that will *encourage* the *integration* of environmental *considerations* into decision-making processes...
>
> The focus of your task is to provide *advice* to Government on future policy *directions*, and to *develop practical proposals* for implementing them, *in the context of the Government's general budgetary constraints and existing policies and programs which impinge on the subject areas. ..*
>
> I should add, however, that while the Government will be looking to the groups to adopt a *coherent and consistent approach*, we acknowledge that the groups will need to develop *recommendations* that address the *particular circumstances or problems faced* by each sector...
>
> I would encourage you to...identify in particular *the common ground* on which the *various interests* can work *co-*

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negotiations that wage increases would be linked to productivity and the latter would be assisted through a 'freeing' up of labour market regulation in Australia.

[5] The Hawke Labor government were re-elected on March 24, 1990 but with a reduced majority. This government had been initially elected in 1983, re-elected in 1984 and 1987, the first Labor government since the 1972-75 Whitlam government. Re-election in 1990 had, in part, been facilitated by a carefully managed preference deal with 'green' candidates in marginal seats.

> *operatively* and *constructively,* and come up with *practical measures* that *could set* Australia's *economy* more firmly *onto the path* of ecologically sustainable development...
>
> *Obviously* it is *desirable to seek consensus* in the *recommendations* you will be putting to the Government on behalf of your working groups. There may be matters on which this does not prove possible, *and alternative views may need to be put.* I would hope that such cases could be kept to a minimum. *Australia has suffered too much already from excessive polarisation of views.* At the same time, I do not wish to have recommendations that cater to *the lowest common denominator* of views of working group members and that do little to *progress a move towards* ecologically sustainable development. Establishment of the working groups provides *an opportunity to explore alternative ways of dealing with contentious issues* so that we can *better* achieve the integration of *environmental and economic goals.*[6]

One of the recipients of the letter from Prime Minister Hawke was Professor Stuart Harris, Department of International Relations, Australian National University. Professor Harris was to chair the Manufacturing, Mining, Energy Production and Distribution Working Group. This thesis will focus specifically on the deliberations of the Manufacturing Working Group.

Reflecting on the ESD process, neither Professor Harris nor Professor David Throsby,[7] were under any illusion as to the political task fronting the Working Groups and their deliberations. Both recognised that:

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[6] Commonwealth of Australia, *Ecologically Sustainable Working Groups - Final Report - Manufacturing,* Australian Government Printing Service (AGPS), Canberra, 1991, pp. 195-197. (emphasis added)

> In a situation of increasing hostility between green groups and industry over a number of specific development projects that had captured public attention in the middle and the late 1980s, the idea of sustainable development was very appealing to an Australian government anxious to provide solutions which might be acceptable to both sides of the environment/development divide...
>
> There was some sense at the time that dealing with the evident conflicts between developers and environmentalists on a piecemeal basis was inefficient and more ineffective, and that a less confrontational and more broad-ranging and integrative strategy was needed.[8]

I concur with the above observations. The language in the Prime Minister's letter that I have emphasised (italics) is aimed at highlighting the range of political issues that confronted the Hawke government in 1990. The challenge of environmentalism was threatening to undermine a range of substantive issues on the macro and micro economic reform agenda being undertaken by government. The Prime Minister acknowledged this in the concluding sentence of his letter to the Chairs of the ESD working groups when he wishes them 'every success in the very important and challenging task' that awaited them.[9] Harris and Throsby have noted that:

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[7] Professor Throsby , Department of Economics, Macquarie University was to Chair the Energy Use, Transport and Tourism ESD Working Groups.
[8] S. Harris, & D. Throsby, 'The ESD process: Background, implementation and aftermath', in C. Hamilton, & D. Throsby, *The ESD Process - Evaluating a Policy Experiment*, Academy of the Social Sciences in Australia & Graduate Program in Public Policy, ANU, Canberra, 1998, p. 2.
[9] Commonwealth of Australia, *Ecologically Sustainable Working Groups - Final Report - Manufacturing*, 1991, p. 197.

> The ESD process was no doubt in part politically motivated. But it came not just from a concern about the party political interests tapping into public support for the environment. It had as much to do with public policy concerns that the environmental issue was divisive *and needed more effective management*. A number of controversies had sensitised the public to anxieties about the environment, but had also tended to polarise opinions in the community. The atmosphere was affected in particular by issues that caused unease about the nature of decision making processes such as over Coronation Hill.[10]

The ESD process moved through a series of consultations, discussion papers, draft papers and final reports to form a national ESD strategy (December 1992). Prior to the release of the national strategy, ESD had been legitimised within the Inter-governmental Agreement on the Environment (IGAE) signed between the Commonwealth government and the states and territories in May, 1992.[11] This institutionalisation of political conflict represents one policy response available to liberal democratic political states in the face of political challenges to their legitimacy.

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[10] S. Harris & D. Throsby, 'The ESD process: Background, implementation and aftermath', 1998, p. 10. (emphasis added)

[11] The development of the Inter-Governmental Agreement on the Environment (IGAE) was agreed to at a Special Premier's Conference in Brisbane, Queensland on October 31, 1990, five months after the beginning of the ESD process. Whilst the IGAE was signed prior to the NSESD it is clear that ESD was a central focus for the IGAE framework. The IGAE signed on May 1st, 1992 commits the parties (Commonwealth, State, Territory and local government association) to : 'Recognise that the concept of ecologically sustainable development including proper resource accounting provides potential for the integration of environmental and economic considerations in decision making and for balancing the interests of current and future generations' (Council of Australian Governments (COAG), *Inter-Governmental Agreement on the Environment*, AGPS, Canberra, 1992, p. 1.) It is for this reason that I argue later in the thesis in discussing the proposed McArthur River Mine (McArthur River Mine in Chapter Five) that the IGAE and ESD are closely linked. The reason the NSESD strategy was signed *after* the IGAE was

The extent to which ESD and the IGAE drove integrated policy responses is examined in detail in Chapter Five, specifically the case study of the McArthur River mine in the Northern Territory. This project emerged at the convergence of these policy initiatives and as such is a timely indicator of the extent to which this project's development was influenced and framed by ESD objectives and principles.

The McArthur River mine project highlights the political dilemmas and structural constraints facing liberal democratic governments in the face of the environmental political challenge.

Political Challenges to Liberal Democratic States: Legitimising a Response

As liberal democratic states adjusted to fiscal constraints, ideological objections to 'big government' and the consequences of global economic restructuring, the political tensions between environmentalism and traditional political activity became more acute.[12] What was at stake was the legitimacy of the prevailing forms of governance.

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largely due to the fact that once the ICESD took control of the ESD process it took some time to get the States to concur on an agreed wording for the NSESD.

[12] Again there is vast literature on this general topic. Good examples, within the Australian context include: S. Bell, *Ungoverning the Economy: the Political*

Dryzek argues that states in liberal democratic capitalist societies must perform three essential legitimising tasks in response to this challenge.[13] Dryzek argues that:

> In today's world, all states must keep civil order, curb the vicissitude of economic life by operating as welfare states (at least in economies in which this is at all affordable), and ensure that a healthy capitalist market system delivers the goods in terms of both revenues and public support for government. Thus states are highly constrained in both what they can do and how they can be structured. [14]

These legitimising tasks are seen to be *constraints* on the state's capacity to respond to a political challenge, such as environmentalism. Dryzek succinctly asserts that, firstly, liberal democratic capitalist states must secure economic stability and growth, the accumulative imperative, the dominant policy imperative. Secondly, such states must keep order. In large part this task involves legitimating the prevailing political-economic system in the eyes of the population through the development and implementation of appropriate public policy responses. This is the legitimacy imperative. Scholars such as Claus Offe have suggested that this task has been largely met through the growth of the

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Economy of Australian Economic Policy. Oxford University Press, Melbourne, 1997; and O.E. Hughes, *Australian Politics* (3rd edition), MacMillan, Melbourne, 1998.

[13] J.S. Dryzek, 'Democracy and Environmental Policy Instruments', in R. Eckersley, *Markets, the State and the Environment,* MacMillan, Melbourne, 1995, pp. 295-296.

[14] J.S. Dryzek, *Democracy in Capitalist Times,* Oxford University Press, 1996, pp. 10-11.

welfare state.[15] Here, the negative externalities of market failure, such as unemployment, has been ameliorated by the state through the adoption of policies of wealth redistribution – through the provision of services and resources. The third legitimising task, that Dryzek identifies, involves 'staying afloat' in a hostile world, constituted by other states (not necessarily liberal democratic) and by the international political economy. 'Staying afloat' economically mostly means abiding by the dictates and perceptions of international regimes for trade and finance; both formal, such as the World Trade Organisation (WTO) and informal, such as the international money markets. Dryzek argues that this requirement constrains both core and peripheral states.[16]

Collectively, the legitimising tasks for liberal democratic states take the form of structural imperatives. These imperatives act as a constraint on the capacity of these states to respond to political challenge and in turn shape those responses. Hence, democratic pressures on behalf of values and ideas, that challenge these legitimising imperatives, such as environmentalism, face considerable obstacles. Yeatman, and Majone argue that given the discursive nature of politics that emerge in response to increased

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[15] C. Offe, *Contradictions of the Welfare State,* MIT Press, Cambridge, MA, 1984. Offe in his latter work came to describe this relationship as a 'crisis'. See for example, C. Offe, 'Democracy Against the Welfare State' *Political Theory* Vol. 15, 1987, pp. 501-37.

[16] J.S. Dryzek, *Democracy in Capitalist Times,* Oxford University Press, 1996, pp. 10-11.

complexity and uncertainty, liberal democratic states go to considerable levels to restrict political challenges.

Yeatman argues that:

> (liberal democratic capitalist states) use a mixture of strategies to restrict the scope and development of the politics of discourse. This mix involves different balances, themselves reflecting the ideology of the government in power, of the following strategies: (1) the conversion of core values like equity or choice into ritual litanies to be invoked on all symbolic occasions...(2) the subjection of claims to technicist modes of administrative rationality where a claim is accorded legitimate existence only if it accords with tightly controlled criteria...(3) the commissioning of grand works of discursive policy statement by intellectuals, which assumes a sort of life of its own...and rarely receives wider exposure and debate; (4) the commodification of claims, turning them over to the market and thereby rendering them subject to market oriented discourse rather than political discourse.[17]

Majone adds that:

> A method of governance based on the interchange and mutual criticism of competing ideas and on the common acceptance of the idea that wins the competitive struggle is constantly exposed to a number of serious threats. For this reason, public administration has been carefully institutionalised in all modern democracies, with elaborate codes of parliamentary, administrative, and judicial procedure. The history of democratic government might well be described as the history of various procedures devised to institutionalise and regulate public deliberation, with the goal of ensuring the hearing of every opinion without compromising the need to reach a conclusion.[18]

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[17] A. Yeatman, *Bureaucrats, Technocrats, Femocrats: Essays on the Contemporary Australian State,* Allen & Unwin, 1990, p. 173.

[18] M. Majone, 'Policy Analysis and Public Deliberation', in R.B. Reich, *The Power of Public Ideas,* Ballinger Publishing Company, Cambridge, MA, 1988, p. 159.

Furthermore, Majone emphasises that:

> ...New ideas face powerful intellectual and institutional obstacles. Economic, bureaucratic and professional interests combine to restrict the range of options that are submitted to public deliberation or seriously considered by experts.[19]

In this sense, where new ideas challenge exisiting policy frameworks, the public policy processes constitute a 'contest over ideas'.

Conceptualising the Contest Over Ideas

This thesis utilises an approach to the 'contest over ideas' that incorporates theoretical and methodological approaches. This approach seeks to provide insights into complex policy processes and hence develop a more pertinent analysis of the public policy process. The approach adopted in this thesis utilises a method of analysis that provides *understanding* and *explanation* rather than mere description and assertion. It explores *how* policy processes work *as strategic portrayals of competing ideas,* rather than explore *why* certain outcomes emerge. The latter analysis tends to rely on assumptions about structural imperatives that are rarely *demonstrated* even if they are, as Dryzek asserts, plausible as legitimising tasks.

It is the purpose of this thesis to *demonstrate,* through an analysis of the ESD process, *how* the structural imperatives of the state that ensures its legitimacy - the maintenance of the growth imperative, keeping order and security and 'staying afloat' in the international political economy - are collectively maintained when those imperatives are under challenge.[20] These imperatives constitute the dominant social paradigm discourse (DSP).

This thesis addresses the question of *how,* under the challenge of ESD, the ideas of the dominant social paradigm (DSP)[21] came to maintain its dominance of the state discourse on environmental policy. This requires an explanation of the constituent ideas and values of the various discourses – bureaucratic, industry and green - competing in the environmental policy arena, and an analysis of the language used in policy documents that addressed this paradigmatic challenge.[22] These sector discourses are established largely from the responses to the ESD Discussion Paper (see Chapter Six) and are further elaborated upon within the discourse analysis of the ESD Manufacturing

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[19] ibid. p. 175.
[20] This is reference to Dryzek's hypotheses that states need to be able to demonstrate a capacity to respond to a complexity of demands under conditions of restraint in a number of ways so as to maintain their legitimacy. See J.S. Dryzek, *Democracy in Capitalist Times,* Oxford University Press, New York, 1996, pp. 10-11.
[21] See Chapter Two for a detailed explanation of the dominant social paradigm (DSP) and the challenge provided by the new environmental paradigm (NEP).
[22] A full explanation of the nature of discourse and its relationship to language is provided in Chapter Three.

Working Group Reports (see Chapter Seven). This focus places the thesis in the post-positivist literature (see Chapter Three).

Analysis of ESD

Most policy analysis of ESD focuses on outcomes *vis-a-vis* the principles, goals and implementation of the policy process. Within this framework of analysis the key methodological question posed is: why? The most comprehensive analysis asserts that the adoption of a corporatist approach to policy processes best explains *why* a certain type of outcomes came to characterise the process. Here the work of McEachern, and Downes[23] is informative (see Chapter Five). This thesis posits a different question. Accepting that ESD was a process that attempted to integrate environmental discourse within the dominant developmental discourse of the liberal democratic state, this thesis examines *how* and to what extent green discourses permeated the outcomes, given the conflict between competing sectoral discourses?

This thesis analyses *how* the public policy processes seek to accommodate, deflect, contain or otherwise 'manage' the

[23] D. McEachern, 'Environmental Policy in Australia, 1981-91: A Form of Corporatism?', *Australian Journal of Public Administration*, Vol. 52, No. 2, June, 1993, and D. Downes, 'Neo-Corporatism and Environmental Policy', *Australian Journal of Political Science*, Vol. 31, No. 2, 1996.

environmental challenge and the political conflict generated by these competing demands.

Premises and Argument

There are a number of premises that are central to the argument presented in this thesis. Firstly, policy activity and policy outcomes are largely constituted through discourse between and about ideas within policy frameworks, *predominantly* the institutional settings.

Secondly, in any policy arena ideas emerge and it is within the policy process that these ideas are clustered, and the various forms of discourse generated. The policy process becomes the *site* of policy activity, the location where commitment to and interpretations of ideas are contested and policy ideas forged in *an attempt* to establish substantive policy outcomes, related to a given set of principles and goals.

Thirdly, there are at least four bodies of knowledge explored in this study. Firstly, there is the body of knowledge about ideas and their embodiment within discourses; secondly, the body of knowledge about how these discourses are 'processed' within the policy process as the emergent text of policy statements; thirdly, the body of knowledge concerned with the institutional setting for the

policy process; fourthly, the specific knowledge about ideas within political, administrative and environmental policy arenas.

Research Question

These premises provide the foundation for the research question. To what extent, and *how*, do liberal democratic states operating in a capitalist economic framework change/adjust/alter or maintain their structural imperatives in addressing the political challenge of environmentalism? This research question can be pursued by a discourse analysis of the text and policy statements presented within the development of the ESD process. This thesis addresses the extent that change can be *demonstrated*, against the legitimising imperatives, in the policy process. Hence, it provides an account of *how*, if at all, that change is evident and to what degree or *how* the *status quo* is maintained. Thus the thesis is focused on *how* the state responds to political challenge.

Discourse analysis provides a *convex lens* that will focus on and enlarge the image of the public policy process as it emerges first as competing ideas, then conceptualised as discourses, and finally presented as text in policy statements. This lens allows for a critical understanding of how the ideas are: (1) constituted within the competing discourses and; (2) what happens to those discourses within and outside the institutional frameworks of the state - the

public policy processes and; (3) how they emerge, merge/are altered, or are rejected within the discursive space provided by the policy process.

As such, discourse analysis provides a useful *additional* policy tool (see Chapter Three) to address the complex politics that confronted the liberal democratic state in the 1980s and 1990s. The political challenge of environmentalism took place within a broader legitimacy contest within liberal democratic states. This 'broader' contest framed the specific environmental challenge.

Complexity and Dynamism in the Politics of the Modern Liberal Democratic State

Liberal democratic states faced enormous challenges to their legitimacy in the 1980s and 1990s. This challenge both expanded upon and moved well beyond the inherent tensions between liberal 'individualism' and democratic 'collectivism' present in a liberal democratic state, whose economy is sustained by a capitalist productive base.[24]

[24] For examples as to how this tension has evolved within the Australian liberal democratic political system see: A. Parkin, 'Liberal Democracy ' in A. Parkin, J. Summers & D. Woodward (eds) *Government, Politics and Policy in Australia* (5th edition), Macmillan, Melbourne, 1994, pp. 233-252 and; G. Maddox, *Australian Democracy in Theory and Practice* (3rd edition), Longman, Melbourne, 1996, pp. 520-537.

Deborah Stone, in her seminal work *Policy Paradox: The Art of Political Decision Making*,[25] explores the inherent tensions present in a liberal democratic state by arguing that there are two fundamentally opposed 'models' of society - the 'polis' and the 'market' - whose ideas and values, clashing as alternative views, generates the political contest that frames public policy decision making. In this work Stone sets out a useful matrix to highlight the competing ideas constituting these models of society, see Table 1:

[25] D.A. Stone, *Policy Paradox: The Art of Political Decision Making* W.W. Norton & Co, New York, 1997.

Table 1 Concepts of Society[26]

	Market Model	Polis Model
1. Unit of analysis	Individual	Community
2. Motivations	Self-interest	Public interest (as well as self-interest)
3. Chief conflict	Self-interest vs. self interest	Self-interest vs. public interest (commons problems)
4. Source of people's ideas and preferences	Self-generation within the individual	Influences from outside
5. Nature of collective activity	Competition	Cooperation and competition
6. Criteria for individual decision-making	Maximizing self-interest, minimizing cost	Loyalty (to people, places, organizations, products), maximize self-interest, promote public interest.
7. Building blocks of social action	Individuals	Groups and organizations
8. Nature of information	Accurate, complete, fully available	Ambiguous, interpretive, incomplete, strategically manipulated
9. How things work	Laws of matter (e.g., material resources are finite and diminish with use)	Laws of passion (e.g., human resources are renewable and expand with use)
10. Sources of change	Material exchange	Ideas, persuasion, alliances
	Quest to maximize own welfare	Pursuit of power, pursuit of own welfare, pursuit of public interest

Stone argues that in the market model, aligned to liberal 'individualism', change is driven by exchange, where individuals pursuing their self-interest, are able to improve their welfare as the distribution and use of resources and services respond to those exchanges. In the *polis*, however, where notions of democratic 'collectivism' emerge, change occurs not through the market

[26] ibid. p. 33.

mechanism of exchange, but through the capacity for alliances built around mutually acceptable ideas to emerge. Once alliances have emerged within public policy decision-making the interest shifts from *why* they emerge, to *how* they are maintained and strategically represented in the policy process, and *how*, in turn, those alliances shape ideas that are espoused and implemented.[27] This analysis provides the basis for the research question in this thesis.

Stone emphasises what the *polis is* rather than what it is not. These characteristics are included in Table 2:

Table 2[28]

	Characteristics of the Polis
1.	It is a community, or perhaps multiple communities, with ideas, images, will, and effort quite apart from individual goals and behavior.
2.	It has a public interest, if only as an idea about which people fight.
3.	Most of its policy problems are commons problems.
4.	Influence is pervasive, and the boundary between influence and coercion is always contested.
5.	Cooperation is as important as competition.
6.	Loyalty is the norm.
7.	Groups and organizations are the building blocks.
8.	Information is interpretive, incomplete, and strategic.
9.	It is governed by the laws of passion as well as the laws of matter.

Stone suggests that within both public policy processes and analysis it is the *market model* that has emerged the victor in the modern liberal democratic state. Stone argues that this has had

[27] ibid. p. 25.

problematic consequences for the fields of political science, public administration, law and policy analysis because the victory of the market over the *polis* has meant that the 'rationality project' has triumphed and hence the widespread adoption of this preferred mode of analysis within the disciplines has narrowed approaches to policy process, decision-making and analysis.[29] Stone further argues that the *model of reason* the above disciplines have adopted - rational decision-making - promotes a shared mission to rescue public policy from the irrationalities and indignities of politics.[30] As a consequence, the means of discussing policy options has been dominated by resort to rational, analytical and scientific methods.[31] This has the effect of narrowing policy analysis options. Such narrowing does little for analysts' capacities to follow/understand the nuances of public policy debates surrounding the political

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[28] ibid. p. 32.

[29] In the earlier addition of this book entitled: D.A. Stone, *Policy Paradox and Political Reason,* Scott, Foresman & Co, Illinois, 1988, Stone argues that the 'rationality project' hopes to rescue public policy from the 'irrationalities and indignities of politics' by conducting public policy instead with rational, analytical and scientific methods. (see pp. 4-6) Stone's point here is that the 'rationality project' misses the point of politics and moreover it is impossible. Stone argues that because paradox is an essential part of political life, politics and policy are in turn is beyond the reach of rational analytical methods. In the second edition of her book: *Policy Paradox,* Stone emphasises a series of well defined steps that constitute a *model of reasoning* that constitutes rational decision making. These are identifying objectives; identifying alternative courses of action for achieving objectives; predict the possible consequences of each alternative; evaluate the possible consequences of each alternative; and select the alternative that maximises the attainment of objectives. (see p. 8) Hence, her description of the public policy process under the 'rationality project' as a production line (see p. 10)

[30] D.A. Stone, *Policy Paradox: The Art of Political Decision Making* W.W. Norton & Co, New York, 1997, pp. 8-11. This view is endorsed by Frank Fischer who cites this aspect of Stone's work in his book: F. Fischer, *Technocracy and the Search for Expertise,* Sage Publications, California, 1990, p. 21. The significance of this is that it links Stone's analysis to the emerging group of post-positivist public policy analysts. This perspective will be outlined in detail in Chapter Three.

[31] ibid. p. 6.

challenge provided by, for example, environmentalism, the case study in this thesis. This thesis in its examination of ESD will illustrate the *limitations* of applying the 'rationality project', as a model of policy making, to a complex public and contested policy area. Those limitations help *explain* the *outcomes* that do emerge as distinct from the proclaimed goals of the process.

For Stone then, the model of society underlining the 'rationality project' is the market. This has a profound effect on the model of policy making adopted by the liberal democratic state and hence *how* it responds to political challenge. As Stone argues:

> The *model of policy making* in the rationality project is a production model, where policy is created in a fairly orderly sequence of stages, almost as if on an assembly line. Many political scientists, in fact, speak of "assembling the elements" of policy. An issue is "placed on the agenda", and gets defined; it moves through the legislative and executive branches of government where alternative solutions are proposed, analyzed, legitimized, selected and refined; a solution is implemented by the executive agencies and constantly challenged and revised by interested actors, perhaps using the judicial branch; and finally, if the policy-making process is managerially sophisticated, it provides a means of evaluating and revising the implemented solutions.[32]

Both the adoption of, and reliance upon the 'rationality project' by the liberal democratic state gives rise to a number of *strategies*. Because there are linkages between the 'rationality

project'; the market; and self interest, these strategies need to focus on the transformation of concentrated *self interest* into a general *community interest*. Stone argues that this is achieved through a number of means: firstly, there is disaggregation. Here the self interested actor is proclaimed as a representative of a large number of ordinary, average citizens.[33] This assumption derives from market theory, where the pursuit of rational self interest by the individual actor, collectively gives rise to a 'public' or 'common' interest. For example, environmental degradation is often justified through employment opportunities associated with resource projects. Secondly, another strategy is to transform what appears to be narrow self interests into broader ones. For example, the transformation of narrow economic interests into broader social issues such as access and equity. Here again industry argues that pollution abatement regulation, for example, necessitates capital investment and will inevitably cost jobs. Finally, there is the strategy of portraying immediate short-term objectives into long-run interests.[34] This sets the framework for the legitimacy of objectives and goals. For example, within the context of macro-micro economic reform adjustment, immediate public assistance to industry or individuals must be linked to long term benefits to 'restructuring' or increased 'capacity/productivity' respectively.[35]

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[32] ibid. p. 10.
[33] ibid. pp. 229-230.
[34] ibid. pp. 230-231.
[35] ibid. p. 230.

As Stone argues, the principal reason these strategies are determined to be 'effective' is that within the 'rationality project', all 'problem definitions' become a sub-species of a single metaproblem: how to make a decision that will attain given goals?[36] Stone points out that these models of decision making are prescriptive rather than descriptive or predictive. They define policy problems as decisions, and they purport to show the best decision to solve a problem. The main variants of this approach are cost-benefit analysis, risk-benefit analysis and decision-analysis.[37] For example, in environmental policy, the metaproblem is that 'costs' associated with the environment are problematic in terms of measurement and allocation, so 'costs' or the pursuit of such becomes both the decision and the solution. This environmental 'costs' metaproblem dominated the deliberations of the ESD Manufacturing Working Group deliberations (see Chapter Seven).

Whilst the adoption of these strategies is an appropriate one within the confines of the 'rationality project', Stone makes the point that the narrow framework underpinning this approach is inherently limiting. These limitations essentially reflect the argument that she advocates, namely that the market model of

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[36] ibid. p. 232.
[37] ibid. pp. 232-233. A good example in the literature where these techniques are advocated is: D.L. Weimer, & A.R. Vining, *Policy Analysis: Concepts and Practices*, Prentice Hall, New Jersey, 1994.

society and the 'rationality project' fail to recognise that both public policy and thinking about public policy are produced in *political* communities, where *ideas* generate political conflict and strategic alliances – the *polis*.[38] For example, political communities emerge among the various stakeholders present within the policy community - a *polis* model - that constitutes the environmental policy process. These policy communities and the stakeholders in them constitute a range of ideas and values regarding environmental policy. Often these ideas and values clash, particularly over what constitutes an 'environmental issue/problem'. This generates considerable political conflict that challenges the legitimacy of the liberal democratic state.

In the *polis* inspired policy community, Stone argues, problem definition is never a simple matter of defining goals and working towards them. Problem definition is rather the *strategic representation* of situations. In the *polis*, stakeholders deliberately and consciously design portrayals of problems so as to promote their favoured course of action.[39]

This thesis will argue that this 'strategic representation of issues' is clearly demonstrated in the case of the Ecologically

[38] ibid. p. 10. This point forms the basis for argument about the theoretical frameworks for policy analysis and methodology taken up at a later stage within the thesis. See Chapter Three.

Sustainable Development (ESD) in Australia. Within ESD the adoption of the 'rationality project', as a model of policy making, and its subsequent 'failure' is demonstrated by the strategic positioning of competing 'ideas' conceptualised as discourses within the public policy process, together with the largely symbolic outcomes. These symbolic outcomes are also evidence of the increasingly discursive nature of public policy processes, reflecting the increasing complexity and contestability of those processes, hence *explaining* why the adoption of a single policy framework, such as the 'rationality project' is both inadequate and unsatisfactory for both policy making processes and stakeholders as citizens.[40]

In attempting to define or redefine what type of society will emerge within those liberal democratic states these dynamics placed an enormous pressure on state capacity and legitimacy, hence the research question: to what extent, and *how*, do liberal democratic states change/adjust/alter or maintain their structural imperatives in addressing the political challenge of environmentalism?

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[39] ibid. pp. 106-108. As such, Stone argues, *symbolic* representation is the essence of problem definition in the *polis*.

[40] This dynamism and complexity is addressed by the work of Yeatman where she critically identified the challenge to the liberal democratic state as it emerged in the 1980s and 1990s. As Yeatman argued, three related contemporary dynamics: increased social and cultural complexity; increased uncertainty, (requiring a capacity to adapt to ongoing change); and a corresponding expectation of increased democratisation of public policy processes, collectively constitute a challenge to liberal democratic states.

Ambiguity and ESD: The Issue of "Intentionality"

This research question links Stone's notion of the *strategic representation* of problem definition as *symbolic representation* to the essentially ambiguous nature of ESD.[41] This raises the interesting issue of 'intentionality'. Given the strategic advantages proffered through ambiguity was this an intentional ploy? Was it the intention of the liberal democratic state to establish an ambiguous response that would in essence, deflect the challenge of environmentalism and hence assist in the promotion and maintenance of Dryzek's governance imperatives?

As Stone outlines, ambiguity in policy responses allows for a number of strategic outcomes that assist governance responses to, in this case, the challenge of environmentalism.[42] Any strategy that assists in the reinforcement of one's preferred position in a political conflict is a useful policy tool.[43] I will argue that ambiguous discourses such as ESD are *not* the product of intentional 'design' by liberal democratic states, when faced with political conflict. Rather, due to the complexity of the competing discourses present in the

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[41] Stone's analysis of the strategic use of ambiguity will be outline in Chapter Three. The ambiguity of ESD will be explored in the discourse analysis of ESD provided in Chapters Four, Five & Six.
[42] D.A. Stone, *Policy Paradox: The Art of Political Decision Making* W.W. Norton & Co, New York, 1997, pp. 156-162.
[43] ibid. p. 154.

ESD, *ambiguity* emerges as a consequence of that complexity and contestability. This, in itself is not an intentional act of governance. That this ambiguity, in turn, provides a number of strategic political advantages to the liberal democratic state is, I will argue, independent of the intended outcomes of the ESD process. This is, of course, not to underestimate its significance in meeting the political challenge, especially in the long term. Moreover, the contestability and complexity of public policy deliberations requires an appropriate and adequate methodology.

Fairclough's Discourse Methodology

This thesis will rely heavily on Fairclough's seminal work: *Discourse and Social Change (1992)*[44] as it offers the most accessible account of discourse analysis firmly entrenched within the requirements of a social science methodology. Fairclough's premise is that discourse is socially constructive, constituting social subjects, social relations, and systems of knowledge and belief, and the study of discourse focuses upon its constructive ideological effects.[45]

Discourse analysis is concerned not only with power relations in discourse, but also with *how* power relations and power

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[44] N. Fairclough, *Discourse and Social Change,* Polity Press, Cambridge, 1992.
[46] This thesis accepts the distinction between discourse as *process* and ideology as *effect.* For an excellent discussion of this debate see T. Purvis and A. Hunt, '

struggles shape and transform the discourse practices of a society or institution. Fairclough applies the work of both Foucault and Gramsci to inform his understanding of the key concepts of discourse and hegemony, respectively (see Chapter Three).

Scope of the Thesis

This thesis will present a discourse analysis of the ESD public policy documents to establish the discourse adopted by the key stakeholders at all levels - bureaucracy, industry, greens. An analysis of the peak body response to the ESD Discussion Paper (see Chapter Six) will establish the discursive positions adopted. The analysis will then see how these sectoral discourses filter through into the draft and final ESD Working Group Reports. The thesis focuses particularly on the *Manufacturing Sector Reports*, within the ESD process, because this will enable the thesis to examine the influence of broader, contextual policy matters - macro and micro economic reform - on the case study. The central concern is to trace explanatory connections between ways (normative, innovative etc) in which texts (in this case, policy documents) are put together and interpreted, how texts are produced, distributed and consumed in a wider sense, and the nature of the social practice in terms of its relation to social structures and struggles.

Discourse, ideology, discourse, ideology, discourse, ideology... ', *British Journal of Sociology* Vol. 44, No. 3, Sept 1993, pp. 473-499.

Limitations

Ecologically Sustainable Development (ESD) was essentially an attempt to integrate concern over environmental degradation with the requirements of economic development. Within this policy framework, environmental considerations had to be integrated with plans for economic development on the basis that integration would promote economic and productive efficiency. This established the link to the larger economic reform agenda. After an intense period, ESD faded from the political agenda. It lost political momentum when Paul Keating replaced Bob Hawke as Prime Minister in 1991. Keating and his advisers gave a priority to the economy and growth. Keating "put the environment back where is belonged" off the political agenda[46] The National Strategy for ESD (NSESD) was reclaimed by bureaucracy through the Council

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[46] This is a reference to a range of anecdotal evidence that variously suggests that Keating made this comment to staff after the first year of his Prime Ministership. It is difficult to determine its accuracy however Doyle refers to the anecdote in a recent publication. Doyle's reference is different in that it locates "Now the environment is back where it belongs" as a remark Keating made to staff after the 1993 election victory. Doyle's reference for the quote is correspondence dated 1996. See: T. Doyle, *Green Power: The Environment Movement in Australia,* University of New South Wales Press (UNSWP), Sydney, 2000, p. 177. In addition there is considerable evidence that the implementation of ESD was 'dead in the water' by the middle of 1992. A member of the Keating Ministry, Neal Blewett, Minister for Social Security, recalled in his 'Cabinet Diary' that two resource management ministers, Kelly and Crean, after hoping to secure $400 million dollars for ESD implementation over four years had to settle for $16 million split between their portfolios. In other words, by July 14, 1992, ESD was 'dead' in terms of financial and resource backing from the Keating Ministry. For details see: N. Blewett, *A Cabinet Diary,* Wakefield Press, Adelaide, 1999, p. 167 and p. 175. Further, Keating's biographer's makes reference to the Prime Minister's anguish on discovering that a

of Australian Governments (COAG), the Intergovernmental Agreement on the Environment (IGAE) and the secretive Intergovernmental Committee on ESD (ICESD). No *public* implementation review took place as prescribed for 1995, except within the confines of the ICESD, and by the end of that year, the lead up to a March, 1996 Federal election, senior officials within the Department of Prime Minister and Cabinet (DPM&C) the department with the responsibility of overseeing the ESD process, voted with their feet and left for 'greener' pastures, notably the Department of Environment, Sport and Territories (DEST).[47] In 1996, ESD, as an integration of economic development and environmental concerns, found its highest profile through its association with Landcare, a remedial and reactionary program sitting at the margins of substantive political conflict over resource management. As a consequence I wish to limit the account of the ESD process in this thesis from the release of the ESD Discussion

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large number of his departmental staff (PM&C) were committed to ESD rather than the economy. See Chapter Three for details.

[47] The author had built up considerable personal contacts with officials in the Department of Prime Minister and Cabinet who were intimately involved with the ESD process. Some were members of the ICESD. On returning to Canberra in March 1996 the author found that most of these officers had left in December of the previous year, anticipating a change in government and the total collapse of the policy under a Liberal coalition government. Two officers who had assisted the author with access to documentation moved to senior positions with the then Department of Environment, Sports and Territories. Documentation left for the author by these officers was no where to be found and a subsequent Freedom of Information Search (FOI) failed to locate the documents. The author was told 'unofficially' that the documents were unauthorised and had disappeared in the 'transition period' of the new government, presumably misplaced by movers who mistook them for personal documents belonging to the officials.

Paper in June 1990 through to the election of the Howard coalition government in March, 1996.[48]

Chapter Outline

Chapter Two outlines the challenge of environmentalism for the liberal democratic state. It argues that this challenge is unique and as such raises a series of political and administrative difficulties for the administrative state. It also establishes the constitute parts of a green discourse, a new environmental paradigm (NEP) that challenges the dominant social paradigm (DSP).

The methodological and theoretical foundations of the thesis are established in Chapter Three. This chapter argues that public policy analysis neglects the essential political nature of the 'contest' between ideas and values present in public policy processes. This needs to be addressed in order to provide another layer of analysis

[48] This is not to suggest that ESD is entirely dead as a policy area. It is rather to endorse the views expressed by another analyst of the ESD process, Stephen Dovers. Dovers, in analysing the ESD process, argues: 'In keeping with a tradition of policy *ad hocery* and policy amnesia in Australian environment policy there has been a reluctance to entrench these policy concerns and initiatives via robust and persistent institutional arrangements, or to support them with substantial financial, human or informational resources'. Dovers goes on to observe that: 'The only real statutory expression of ESD principles in the Commonwealth sphere is in the legislative framework of the Australian Fisheries Management Authority, which incidentally is a source of potential lessons largely ignored by other sectors'. See S. Dovers, 'Institutionalising ESD: What happened, what did not, why and what could have?' in C. Hamilton and D. Throsby, *The ESD Process,* 1998, pp. 26-28. Dovers also quotes the State of Environment Advisory Council 1996 on the impact of ESD and related strategies: 'there is little evidence that these strategies affect decision-making in any but the most perfunctory way'. Dovers,

that is pertinent to this context. In doing so, this Chapter seeks to place discourse policy analysis within approaches to policy analysis and link it to an appropriate methodological framework.

Chapter Four is a chronology of what I term the 'search' for sustainable development in Australia. The Chapter focuses on the policy detail and issues that lead up the establishment of the ESD process and then outlines the development of the process. It makes some preliminary observations about the nature of that emerging process.

An analysis of environmental policy in Australia is undertaken in Chapter Five. This chapter assesses conventional approaches to analysis and seeks to establish the strengths and weaknesses of these approaches. This is undertaken in order to argue for an additional approach – a discourse analysis. It also takes an overview of some of the contemporary policy analysis of the ESD process. Chapter 5 concludes by examining the 'policy learning' aspects of the ESD process and its institutionalisation by locating ESD within a contemporary resource management project, the McArthur River mine project in the Northern Territory.

'Institutionalising ESD: What happened, what did not, why and what could have?', 1998, p. 30.

Chapter Six establishes the discourses within ESD by analysing the Discussion Paper on ESD and the stakeholder response. This allows for the identification of the various and competing discourses within the ESD process, broadly consisting of a bureaucratic discourse, an industry discourse and a green discourse. The ESD Discussion Paper was pivotal in framing the discursive contest that attempted to resolve what would constitute ESD in Australia.

A discourse analysis of one of the significant Working Groups within the ESD process, the Manufacturing Sector Working Group, is undertaken in Chapter Seven. This analysis takes two forms, an analysis of the Draft ESD Report from this sector and secondly a comparison between the Draft Report and Final Report. The significance of the Manufacturing Sector Working Group Reports both within the context of the ESD process and the evolution of environmental policy in Australia is also outlined.

Chapter Eight, the Conclusion, returns to research question, outlines the findings of the research and the appropriateness of the methodology. It also suggests some pertinent further research in light of the observations this thesis makes about the relationship between public policy, democracy, minority groups and citizenry.

Environmentalism provides a unique political challenge to the liberal democratic state. The scope of this challenge highlights limitations in the state's traditional administrative response. This gives rise to a reactive and often *ad hoc* policy response. The following Chapter discusses the nature of this challenge and how it leads to continuing political conflict in this significant public policy area.

Chapter Two
The Challenge of Environmentalism to the Liberal Democratic State

Introduction

This Chapter is premised on the idea that environmentalism represents a unique challenge for the liberal democratic state. It will do so by establishing a case for the recognition of constituent ideas and values that together represent an environmental discourse, here broadly represented by the new environmental paradigm (NEP). This discourse, it will be argued, is at odds with the dominant social paradigm (DSP) that is closely linked to the maintenance of the legitimising tasks of liberal democratic states, as outlined by Dryzek (see Chapters One and Three). It is this clash of paradigms that gives rise to political conflict. In addition, this Chapter will argue that the administrative response of the liberal democratic state to such conflict is limited and this means that the institutional (public policy) outcomes are, in turn, limited.

Finally, the Chapter will argue that this is particularly the case in Australia where, despite a persistent period of political conflict in relation to environmental issues, institutional responses have been at best, constrained.

Environmentalism represents a paradigmatic challenge to liberal democratic states. Unlike the challenge initially posed by labour and now incorporated in the historic compromise of growth dependent welfare capitalism, the discourse of environmentalism is less likely to be appeased by appeals to the traditional imperatives, such as the imposition of bureaucratic rationality or the appeal to expertise, that dominant public policy processes and outcomes. This argument derives from a recognition and examination of the values and ideas that constitute the discourse of environmentalism.

The environmental discourse[49] is unique in so far as it *directly* challenges the principal structural imperative of liberal democratic states, the growth imperative. In its various guises, the environmental discourse challenges the legitimacy and rationality of the commitment to growth that underpins the liberal democratic

[49] This is not to suggest that there is a single environmental discourse. Whilst I recognise there are a range of 'positions', from the radical 'eco-centric discourse' where humans are regarded as but one, and hence not a dominant species within an interrelated eco-system, to the conservative 'anthropocentric discourse' where intrinsic value resides pre-eminently with humans, together with variations within those frameworks, for example, 'eco-feminism'. My notion of what constitutes an environmental discourse is derived from the matrix developed by L. Milbrath, Y. Downes & K. Miller - see Table 3 & 3a in this Chapter. The constituent parts of the NEP, as outlined by Milbrath, Downes & Miller is further refined by the 'Green discourse' as developed with the ESD process, represented by the peak body environmental groups, participating within the ESD process. The acceptance of the contested notion of an environmental discourse reinforces the view argued in this thesis that there is a need for a more dynamic methodological framework in order to recognise and analyse the complexity inherent in competing sets of ideas and values presented both within discourses and the public policy processes that attempt to respond to these competing and complex claims both for and against the liberal democratic state.

state and its capitalist economic base. The interest here is *how* the state has developed public policy responses to meet this unique challenge and maintain its legitimacy.

The Australian economy is an energy intensive, resource-based economy with a large agriculture and minerals sector as well as energy intensive industries such as steel and aluminium production. The Australian state has had a considerable hand in orchestrating this energy-intensive, resource-driven pattern of economic development in Australia. Indeed, many of Australia's present ecological problems have been intensified through state sponsored practices to boost production (notable examples include tax relief for land clearing and tree felling, the superphosphate bounty and government agriculture advice to use high chemical inputs on farms).[50]

There was a lack of enthusiasm by the colonial and postcolonial state in Australia for any initiatives that might compromise one of the fundamental purposes of British settlement, namely, to open up the continent for development. It took more than two decades of unparalleled growth and affluence in the post World War II period before environmental problems 'emerged' in the 1960s as a persistent source of scientific and

[50] K.J. Walker, *The Political Economy of Environmental Policy: An Australian Introduction*, UNSW Press, 1994, pp. 202-247.

political concern. By the early 1970s, most of the States had embarked upon major overhauls to their pollution control regimes - regimes that enabled the 'balancing' of environment and development considerations. This 'balancing' has had a pivotal influence on the consequent state discourse on resource management in Australia. 'Balancing' became a significant policy response to political conflict that arose around resource management issues in the 1970s and 1980s. Its legacy had an important influence on the ESD process particularly in terms of policy process and the decision to create sectoral approaches.

The Paradigmatic Challenge of Environmentalism

Environmentalism as a global social movement has drawn considerable analysis from within the social sciences from the 1970s. Apart from its inherent interest as a social movement,[51] environmentalism is seen as challenging the *dominant* value paradigm of western liberal democratic states and their capitalist productive economies. This *political challenge* derives from the conflict that arises from a clash of values and ideas over policy responses to environmental issues between competing paradigms. As Dryzek indicates there are reasons the demands of social movements cannot be easily catered for by the state:

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[51] See J. Pakulski, *Social Movements: The Politics of Moral Protest*, Longman Chesire, Melbourne, 1991.

> These demands frequently have a transformative, all-or-nothing character. New social movements do not seek any greater share of the economic pie, or its re-distribution in certain directions, or economically insignificant policies of the kind sought by more conventional single-issue interest groups (such as antiabortionists or gun control advocates). Instead, their demands entail wholesale transformation of established ways of life. As such they are not easily accommodated by the democratic capitalist state, except on a piecemeal and often symbolic basis, as (for example) when the established political parties pay lip service to environmental values. Thus their likely future is one of continued confrontation.[52]

Bührs and Bartlett indicate a range of analysts who point to the utilitarian values that the old, dominant social paradigm (DSP) gives/draws from nature.[53] Drawing upon the heritage of the Enlightenment and its links to liberalism,[54] the DSP regards nature as a resource to be exploited for human need, particularly, material well being. This old paradigm values the economic well being of the present generation over future generations with an emphasis on the maintenance of growth over environmental protection without regard to possible limits or risks associated with the pursuit of such growth. Within this paradigm there is little regard for the rights of non-human species.

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[52] J. Dryzek, *Democracy in Capitalists Times,* Oxford University Press, New York, 1996, p. 51.
[53] T. Bührs & R.V. Bartlett, *Environmental Policy in New Zealand,* Oxford University Press, Auckland, 1993, pp. 31-32.
[54] One of the best histories of this linkage can be found in N. Davies, *Europe: A History,* Random House, London, 1997, p. 99.

The new environmental paradigm (NEP) places emphasis on nature's inherent value, prefers less risk, recognises the limits to growth and emphasises a stewardship role for current generations in order that future generations have access to material and lifestyle benefits at a comparative level.

Environmental problems, are defined by Dryzek as 'pertaining to actual or potential shortfalls in the life-support capabilities of the earth's ecosystems, the life in question being both human and non-human, with life's quality as well as perpetuation at issue.'[55] These problems have 'enjoyed' a paradoxical ambivalence on the agenda of liberal democratic states over the past twenty-five years.

Issues such as air and water pollution; population growth; land degradation; deforestation; ozone depletion and the Greenhouse Effect, especially the increasing cross-border nature of these problems, provide a general recognition of the impact of a range of environmental problems in modern industrial societies. However, despite being fueled by consistent populist democratic pressures, environmentalism as a social movement has not significantly shifted these issues to a central position where they have a *privileged* focus in terms of public policy agenda setting,

decision-making or policy implementation. Nor has there been any significant indication that this 'issue attention agenda cycle'[56] response, framed by the structural imperatives of liberal democratic states, has diminished the democratic pressures engendered by environmentalism. This is because environmental issues such as the Greenhouse Effect; ozone depletion and industrial pollution are long term problems with long term impacts.

Milbrath, Downes and Miller provide a useful taxonomy that highlights the potential for political conflict between these competing paradigms and the range of alternative policy outcomes. It also emphasises environmentalism's social movement links, particularly its rejection of the idea that political questions and outcomes are essentially about material outcomes.

Environmentalism addresses a range of 'post-material' issues in the area of health, lifestyle, sexuality, gender, cultural identity, human survival and humanity's relationship to nature. If the social movements of the 1960s were characterised by their commitment to 'rights', environmentalism is committed to the

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[55] J.S. Dryzek, 'Foundations for Environmental Political Economy: The Search for Homo Ecologicus?', Paper presented at the Public Policy Network Conference, University of Tasmania, Hobart, 1996, p. 1.

[56] See A. Downs, 'Up and Down with Ecology - the 'issue-attention cycle'' *The Public Interest*, 28 Summer, 1972, pp. 38-50, for an explanation as to how issues attract government attention by way of a policy response.

'life' that extends to all species, not just humans . This is represented in Tables 3 and 3a[57], below:

Table 3 Fundamental Value and Belief Differences between the DSP and the NEP

Dominant Social Paradigm (DSP)	New Environmental Paradigm (NEP)
Priority on economic growth and development, focus on short-term or immediate prosperity	priority on ecosystem viability, focus on long-term sustainability
Continuation of economic growth justifies dangers of perturbing biogeochemical systems	Perturbing biogeochemical systems is rarely, if ever, justifiable
Perpetual economic growth; unrestricted population growth	Growth beyond replacement must be halted for sustainability
Accept risks to ecosystems to maximise wealth	Avoid risks to the ecosystem and overall societal well-being
Reliance on markets to spur growth and ensure a bright future	Reliance on foresight and planning to ensure a bright future
Emphasis on immediate materially-oriented gratification	Emphasis on simplicity and personal enrichment
Emphasis on hierarchy and authority	Emphasis on horizontal structures that maximise interaction and learning
Centralised decision-making and responsibility	Greater personal and local responsibility
Emphasis on private over public goods	Ensure protection and supply of public goods
Excessive faith in science and technology	Skepticism and critical evaluation of science and technology
Reliance on mechanistic simple cause/effect thinking and narrow expertise	Recognition of need for holistic/integrative thinking
Emphasis on competition, domination, patriarchy	Emphasis on cooperation, partnership, egalitarianism
Violence needed to maintain dominance and social order	Aversion to violence - seek order based on learning and consensus
Subordinate nature to human interests	Place humans in ecosystemic context
Emphasise freedom so long as it serves economic priorities	Emphasise freedom so long as it serves ecological and social imperatives

[57] L. Milbrath, Y. Downes, K. Miller, 'Sustainable Living: Framework of an Ecosytemically Grounded Political Theory', *Environmental Politics* Vol. 3, No. 3 Autumn 1994, pp. 438-439.

Table 3a Contrasting Policies, Strategies and Approaches

Dominant Social Paradigm (DSP)	New Environmental Paradigm (NEP)
Maximise growth even at the cost of polluting	Reduce waste and avoid pollution even at economic cost
Encourage conspicuous consumption	Discourage conspicuous consumption
Emphasise work to fulfill economic needs	Emphasise fulfillment in work
Use whatever resources needed to maximise current economic activity generation	Conserve and maintain resource stocks for future generation to benefit current
Emphasise profitable use of non-renewable resources; rely on market to resolve resource shortages	Emphasise renewable resources; plan for resource shortages
Encourage development and virtually unrestricted deployment of science and technology	Critically evaluate and, at need, restrict deployment of science and technology
Use hard/large-scale technology	Use soft/appropriate technology
Emphasise development of nuclear energy	Phase out nuclear energy
Sacrifice other species for economic gain	Protect other species, even at economic cost
Encourage monocultures to maximise output and wealth for humans so as to allow unlimited population growth	Restore/preserve ecosystem diversity and resilience requiring limits to population size
Emphasise high-yield (intrusive) agriculture	Emphasise regenerative/appropriate agriculture
Rely on markets; minimal use of planning	Use both planning and markets

The competing *ideas* represented by the taxonomy outlined in Tables 3 and 3a, give rise to considerable potential for political conflict over what constitutes environmental policy within liberal democratic states. This is because these ideas constitute a competing and resistant discourse, the environmental discourse, that challenges the dominant social paradigm. The presence, challenge and the resulting political conflict that emanates from the position of these competing discourses within the policy processes that

constitute the development of environmental policy is but one of the complex issues that test the legitimacy of liberal democratic states in the late twentieth century.

This thesis addresses the question of *how* the ideas and values of the dominant social paradigm frame the state discourse on environmental policy. This requires an examination of the constituent ideas and values of the various discourses – bureaucratic, industry, green - competing in the environmental policy arena, and an analysis of the language used in policy documents that address this paradigmatic challenge.

The Green Discourse - the Challenge of Environmentalism

The green discourse is an alternative and resistant discourse which contests dominant knowledge systems and social values. It encompasses the core ideas and values that constitute the belief system of environmentalism. These include:

Rejection of the Growth Paradigm of Capitalism

Environmentalism essentially *rejects* the growth paradigm of capitalism, unlike the other great contesting 'isms' of the twentieth

century, socialism, marxism, and feminism.[58] The latter three 'isms' challenged the dominant discourse of capitalism through appeals to notions of equity and access with regard to the distribution/re-distribution of limited resources, services and wealth.

Hay argues that political conflict over 'ecological' issues has a uniqueness in liberal-democratic capitalist states, compared to class-based political conflict over distributional issues. For Hay, environmentalism is unique because class conflict over distributional relations is essentially rooted within a broadly consensual domain of cultural aspirations and organisational structures, whereas environmentalism challenges dominant world-views, social values, institutional processes and social structures. Within the challenge of environmentalism a number of key aspects emerge: the ecological imperative; interconnectedness and ecocentricity; ecological rationality; intrinsic value and; the democratic subject.[59]

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[58] Again there is a recognition that this discourse/position is 'confused' by the various cross sectional issues, ranging from the radical eco-feminist position to the less radical 'realo' position that focuses on what are called 'brown' environmental issues such as land degradation, soil erosion, air pollution. The best articulation of the range of positions adopted is to be found in R. Eckersley, *Environmentalism and Political Theory: Towards an Ecocentric Approach.* State University of New York Press, Albany, 1991.

[59] P.R. Hay, 'The Politics of Tasmania's World Heritage Area: Contesting the Democratic Subject', *Environmental Politics,* Vol. 3, No. 1 Spring 1994, pp. 1-21.

The Ecological Imperative

The "new politics"[60] that flow from this are based on principles adopted by environmentalism that flow from the 'ecological imperative' - the preservation of the environment. This principle derives from the assertion that the linking of human needs to material needs has resulted in the destruction of the eco-system that supports all life on the planet.

This principle forms the basis of the competing belief system of environmentalism - its green discourse - and as such, unlike previous challenges to liberal democratic states, is not *necessarily* open to negotiation and compromise. In its extreme form, this represents discourse closure as identified by Yeatman.[61] The significance of 'discourse closure' is that within a public policy process it has the potential to severely limit the capacity for discursive exchange/learning from other competing discourses. In the extreme, 'discourse closure' can precipitate an exit from the process, as exhibited by some green groups within the ESD process.

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[60] See R. Eckersley, 'The "New Politics" of the Green Movement' in P.R. Hay, & R. Eckersley, (eds.) *Ecopolitical Theory: Essays From Australia* Centre for Environmental Studies, University of Tasmania, Hobart, 1992.
[61] A. Yeatman, *Bureaucrats, Technocrats, Femocrats,* Allen & Unwin, Sydney, 1990, pp. 149-174.

As Hay succinctly argues :

> The fundamental insight upon which the entire green discourse is derived is the ecological principle of interconnectedness. It is thus primarily and fundamentally at odds with the dominant liberal- market assumption of atomisation; less so with the organic conceptions of the socialist and conservative traditions. From the centre of interconnectedness stems a science, an epistemology, and a social philosophy, and co-existentially with all of these an ethic of ecocentricity.[62]

Interconnectedness, therefore, provides the opportunity to argue for an ecology first position. However, there are a range of positions adopted within this notion of interconnectedness. Eckersley draws out the range of ecological subject positions:

> Although those who accept the ecology first interpretation necessarily accept that an ecological perspective should provide the overarching framework for green discourse, there is a range of different ecological discursive subject positions that may be adopted...For example, anthropocentric greens tend to argue for environmental protection for purely human-centred grounds (e.g. that healthy ecosystems enhance human health, safety and wellbeing) whereas ecocentric greens also give special prominence to the need to protect wilderness areas and threatened species for their own sake.[63]

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[62] P.R. Hay, 'Destabilising Tasmanian Politics: The Key Role of the Greens', Paper presented at the *Annual Conference of the New Zealand Political Studies Association, 1993.* p. 9.

[63] R. Eckersley, 'The "New Politics" of the Green Movement' in P.R. Hay, & R. Eckersley, (eds) *Ecopolitical Theory: Essays From Australia* Centre for Environmental Studies, University of Tasmania, Hobart, 1992, p. 159.

It follows, as Hay argues, that on the basis of the ecocentric ethic, greens will reject the notion of compromise and the associated claim for 'balance' that underpins almost all anti-green rhetoric of those who adopt the DSP position. The possibility of compromise is a fundamental assumption of the issue-brokerage basis of democratic politics located within the DSP. But, for ecocentric greens there can be no question of balancing the *vital* needs of other species with the *secondary* needs of *homo sapiens*.[64] This subject position,[65] constituting a core belief system, represents discourse closure and is often considered non-negotiable. Ecocentrism, as a subject position, is the green discourse variant widely adopted as a subject position by environmental activists. This subject position – this identity – provides much of the impetus

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[64] P.R. Hay, 'Destabilising Tasmanian Politics: The Key Role of the Greens', 1993, p. 13.

[65] I use the term 'subject position' to incorporate two important observations Fairclough makes in his methodological approach. Firstly, Fairclough argues that 'rather than particular types of discourses having inherent political or ideological values, I shall say that different types of discourse in different social domains or institutional settings may come to be politically or ideologically "invested" in particular ways' (p. 67.). Secondly, he argues that: '...subjects are ideologically positioned, but they are also capable of acting creatively to make their own connections between the diverse practices and ideologies to which they are exposed, and to restructure positioning practices and structures. The balance between the subject as ideological "effect", and the subject as active agent, is variable which depends upon social conditions such as the relative stability of relations of domination.' (p. 91.). This argument is supported by Lois McNay's study of Foucault: L. McNay, *Foucault: A Critical Introduction*, Polity Press, Cambridge 1994. McNay argues: 'It is not the individual who imparts meaning to discourse, rather it is the discursive formation that provides an array of 'subject positions' which individuals may occupy.' (p.68.). These observations reinforce the argument articulated earlier about the range of 'positions' that may be evident within a discursive position that constitutes, for example, environmentalism, and the various 'green discourses' that exist within that discursive framework. In general, there is more that unites the green discourse than divides it, although it is possible to argue, as I will, that the absence of a 'meta-green discourse' regarding ecologically sustainable development, meant that the 'green discourse' was

for the political challenge that environmentalism represents for the liberal democratic state.

This is not to suggest that the more widely adopted subject position, anthropocentricism, is necessarily more in tune with the dominant structural imperatives of a liberal democratic state. While anthropocentric greens may share with the state a concern for human health and well being, this does not necessarily make their position more amenable to negotiation nor compromise. Within the green discourse, human health is framed as dependent upon a healthy ecosystem whereas the state locates human health within a discourse of a healthy economy, dependent therefore on the instrumental values and ideals of economic growth. These competing discursive positions are often as much a site of tension and contestation as the ecocentric position. This is particularly so in the case of contamination of water and air, for example, through pesticides and industrial fallout respectively.

Ecological Rationality

Also of particular importance for a Green discourse within the development of environmental policy is the promotion of 'ecological rationality' as a policy approach. Ecological rationality

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strategically 'disadvantaged' politically, as Stone's emphasis on the significance of 'symbolic' responses would indicate.

rests upon a set of critical assumptions that assert that ecological problems are *inherently complex, nonreducible, variable, uncertain, spontaneous, and collective in nature.*[66] According to Dryzek, to be 'ecologically rational' (to be able to maintain consistently ecological life-support systems) a social steering system - for example, a bureaucratic department responsible for the formation and implementation of environmental policy - must be able to respond effectively to negative feed-back, co-ordinate across all system boundaries to prevent problem displacement, and be flexible and resilient in order to cope with unexpected changes.[67] This provides a set of criteria that clearly challenges the traditional bureaucratic steering system (see below). The notion of ecological rationality is an attempt to incorporate a Green discourse into an alternative policy tool or perspective for developing, implementing and evaluating policy.

Ecological rationality represents a rationality of living systems, an order of relationships among living systems and their environments. This allows for the transformation of the ecology first principle into a set of criteria against which, for instance, policy responses can be measured in order to determine their levels of alignment with the principle. Ecological rationality provides criteria applicable to social systems, to individual decisions, or to policy

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[66] J.S. Dryzek, *Rational Ecology: Environment and Political Economy* Basil Blackwell, Oxford, 1987, pp. 28-33.

processes. For example, ecological rationality can be used to assess whether resource management systems consistently protect ecological integrity; whether individual actions are ecologically sound, and; whether ecological reasoning underlies the processes and procedures by which ecologically important choices are made.[68]

Intrinsic Values

In recognising the intrinsic or aesthetic value of the non-human world, environmentalism shifts the onus of justification - in the creation of policy responses - from the person/agency who wants to protect the non-human world to the person/agency who wants to interfere with it.[69] This shift in the emphasis placed on justification represents a fundamental shift in the terms of environmental debate and decision-making. This is particularly so in terms of the impact such a shift may have as it relates to norm setting regarding what constitutes, for example, environmental degradation. It has the potential to dramatically shift the notion of environmental degradation from a science driven perspective, such as an Environmental Impact Assessment (EIS), to include non-science derivatives such as aesthetic appeal and intrinsic value.

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[67] ibid. pp. 46-54.
[68] See R.V. Bartlett, 'Ecological Rationality: Reason and Environmental Policy ' *Environmental Politics,* Vol. 2, 1986, pp. 221-239 and J.S. Dryzek, *Rational Ecology: Environment and Political Economy* Basil Blackwell, Oxford, 1987.

Even if the legal recognition of intrinsic values - some countries, notably New Zealand[70] have included this notion in legislative frameworks for resource management - in the non-human world shifts the onus of justification in environmental decision-making, there is plenty of room for disagreement in regard to the question of what counts as a sufficient justification for interference. Legislative support for the recognition of intrinsic value in the non-human world cannot, in itself, answer this question; it only serves to sharpen it: what constitutes a sufficient justification for interfering with entities that are intrinsically valuable or aesthetically pleasing?[71] In short, recognition of intrinsic value broadens the areas of consideration that require justification by/of developers.

The Democratic Subject

The difficult issue of the 'democratic subject', throws into sharp relief an issue that lies latent in the environmental challenge to mainstream politics, and has seldom been made explicit either in

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[69] W. Fox, 'New Philosophical Directions in Environmental Decision-making', in P. Hay & R. Eckersley, *Ecopolitical Theory: Essays from Australia,* Environmental Studies, University of Tasmania, 1992, pp. 13-14.
[70] For an outline of this legislative framework, refer to T. Bührs & R.V. Bartlett, *Environmental Policy in New Zealand: The Politics of Green and Clean* Oxford University Press, Auckland, 1993.
[71] W. Fox, 'New Philosophical Directions in Environmental Decision-making', 1992, pp. 13-14.

theory or practice. Who - or what - constitute the interests that democratic political processes exist to serve? Whose - or what - is the 'good' that democratic political structure exist to divine and deliver? In the case of debate about the virtues or otherwise of a development proposal, who is to represent the interests of non-human species? How are they to be represented and how are these interests legitimised?

It is obvious that there are immense difficulties, in theory as well as practice, in the adoption of two democratic communities; a more restricted one - being confined to humans - of democratic participants, and another broader one of democratic subjects, being all of life, whose interests must be taken into account in human decision-making. Some commentators believe that this issue can be addressed through developing notions of citizenship that explore this issue as it relates to humans and their interconnectedness to the environment, the notion of ecological modernisation.[72] Others, most notably industry groups, reject the notion as inherently futile.[73]

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[72] See A. Weale, *The New Politics of Pollution,* Manchester University Press, Manchester, 1992, pp. 75-88 and J.S. Dryzek, *The Politics of the Earth: Environmental Discourses,* Oxford University Press, New York, 1997.
[73] Business Council of Australia (BCA) response to ESD Discussion Paper, *'Achieving Sustainable Development' Business Council Bulletin,* August, 1990, p. 14.

Nevertheless, the extension of notions of the democratic subject to non-human species is but another challenge that environmentalism as a social movement provides for the legitimacy of the liberal democratic state. How, then, does the state respond?

State Discourse - Environmental Policy

There is confusion about both the role of liberal democratic states in the 1980s and 1990s their nature and legitimacy following tensions that emerged from a range of complex demands and challenges.[74] How does the state maintain its viability in the face of uncertainty and insecurity? To what extent is the response of the state structurally constrained? What strategy does the state adopt in response?[75]

The role of the state has become a problem in itself. Responses range from 'getting it off our backs' to framing normative questions about its role. This involves questions that are much broader than a specific state role and involve normative debates regarding the type and nature of society that citizens might like to develop. At one extreme there is the suggestion that the pendulum has swung so far away from notions of 'collectivism'

[74] See earlier contributions of Stone and Yeatman, Chapter One of thesis.

towards 'individualism' that states should be replaced by markets. On the other hand, there is the argument that the market is entirely inappropriate for individual citizens to make their political choices. This debate is central to the challenge that environmentalism provides in re-defining the *type* of society that emerges within a liberal democratic state as it addresses environmental issues within public policy processes.

Despite pronouncements of its imminent death, as the state struggles to respond to uncertainty and complexity, there is little doubt that it has, in turn, demonstrated a remarkable resilience. Perhaps a more pertinent research approach to the liberal democratic state as it has evolved in the 1980s and 1990s is not the question: to be or not to be? Rather, the research focus should be on *how* the state has managed to maintain itself in the light of such adversity. What survival *strategies* has the state adopted in response to the complex range of challenges to its legitimacy? More pertinently, *how* can those strategies be determined and analysed?

[75] All these issues are pertinent to the hypothesis proposed by Dryzek, see Chapter One of thesis.

The Administrative Response to the Challenge of Environmentalism

In relation to environmental policy, Paehkle and Torgerson[76], in their seminal work *Managing Leviathan,* provide an account of the administrative response of the liberal democratic state to the challenge of environmentalism. The importance of *Managing Leviathan* is two fold: firstly, compiled for publication in 1990, it provides a sound overview of the response of the administrative state to the rise of environmentalism in the 1970s and 1980s. Secondly, contributors place a heavy emphasis not only upon the political challenge of environmentalism but more importantly, on the *political* character of the administrative response, a previously neglected acknowledgement. The *political* character of the administrative response is particularly pertinent to the ESD case study in Australia.

Whilst, for instance, there is a recognition that environmentalism has an unsettling effect on the expectations of order and progress which have not only guided industrialisation and assisted in defining the role of the modern state, contributors argue that administrative organisations want to define environmental issues as manageable problems subject to rules and procedures consistent with established priorities. To do otherwise ,

according to Paehkle and Torgerson, would be to expose the state to the irrationalities of politics, hence a threat to order.[77] Therefore, one of the tasks of the administrative state is to restrict debate within the administrative idiom and hence take the politics out of such a debate, through containment and overcoming what is perceived to be irrational resistance.[78] This approach is not just administrative but broadly political, especially in relation to agenda setting, policy development and implementation within the public policy process.

Containment and management of the environmental challenge takes many forms, not simply a reliance on the application of Weberian administrative rationality and the exercise of control through the application of superior technical knowledge.

Paehlke, one of the co-editors, argues that private interests tend to determine public interest and hence, administrative agencies tend to be captured.[79] In this sense, administrative responses mirror the proposals outlined in Stone's critique of the

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[76] R. Paehlke, & D. Torgerson, , (eds.) *Managing Leviathan: Environmental Politics and the Administrative State,* Belhaven Press, London, 1990.
[77] R. Paehlke, & D. Torgerson, 'Environmental Administration: Revising the Agenda of Inquiry and Practice', in R. Paehlke, & D. Torgerson, , (eds.) *Managing Leviathan: Environmental Politics and the Administrative State,* Belhaven Press, London, 1990, pp. 1-3.
[78] ibid. p. 13.
[79] R. Paehlke, 'Democracy and Environmentalism: Opening a Door to the Administrative State', in R. Paehlke, & D. Torgerson, , (eds.) *Managing Leviathan: Environmental Politics and the Administrative State,* Belhaven Press, London, 1990, p. 39.

'rationality project'. The point to be made here is that decision-making is never exclusively technical but is, by nature, political and value laden.[80] Democratic pressures for participation in policy decision making, according to Paehlke, often have to run the gauntlet of bureaucratic preference for silence.[81] He asserts that 'participation experiments to date surely represent more an effort to convince the public about the acceptability of government decisions than any real sharing of power.'[82]

Amy emphasises the political nature of technical decision-making. Amy argues, particularly in relation to the emerging reliance on an Environmental Impact Statement (EIS), that the adoption of one set of techniques over others is more often a response to powerful political grouping rather than the outcome of an intellectual challenge to discover appropriate rational techniques.[83] The EIS process, argues Amy, 'neglects the ever present pressure on government agencies to promote and support economic growth and development...and it is these pressures - not the lack of adequate impact information - that have often led to environmentally irresponsible decisions.'[84] In relation to

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[80] ibid. pp. 38-39.
[81] ibid. p. 41.
[82] ibid. p. 45.
[83] D.J. Amy, 'Decision Techniques for Environmental Policy: A Critique', in R. Paehlke, & D. Torgerson, , (eds.) *Managing Leviathan: Environmental Politics and the Administrative State,* Belhaven Press, London, 1990, p. 60.
[84] ibid. p. 62.

containment and management of potential political conflict, Amy makes the salient point in relation to EIS:

> For administrators, then, what is often politically useful about the EIS is not that it increases the rationality of their decisions - but it enhances the *appearance* of rationality and thus serves to undermine environmental opposition to development projects.[85]

Dryzek seeks to understand the administrative response to the environmental challenge through its own epistemology, which he defines as an instrumental-analytic theory of knowledge.[86] The administrative state, according to Dryzek, 'implicitly regards rationality as the capacity to devise, select, and effect good means to clarified and consistent ends. In the context of complex problems, this also requires breaking such problems down into simpler components...however, effective problem decomposition must be intelligent rather than arbitrary.'[87]

But, it is not just the epistemological constraints that restrict administrative responses to environmental problems. Dryzek points to the debilitating significance of context: constraints of

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[85] ibid. p. 63.
[86] J.S. Dryzek, 'Designs for Environmental Discourse: The Greening of the Administrative State?', in R. Paehlke, & D. Torgerson, , (eds.) *Managing Leviathan: Environmental Politics and the Administrative State,* Belhaven Press, London, 1990, p. 99.
[87] ibid.

markets and the privileges of business.[88] What is required to break the impasse between the complexity of environmental issues and the restrictive epistemology of the administrative state, according to Dryzek, is the creation of Habermasian discursive designs approaches to the public sphere.[89]

However, Dryzek advances this proposal with considerable caution. Discursive designs are not an end in themselves. For Dryzek, discursive designs, offer a challenge and a possible reconsideration of the nature of collective public goods. However, he cautiously warns that '...maintaining this challenge, proponents of and participants in discursive designs should be careful to avoid *complicity* in the complex *status quo* to which discursive designs offer the hope of an alternative.'[90] Here, Dryzek is referring to the threat of capture by the administrative state which is always present.

Torgerson raises the issue of how, given the administrative focus on unity, cohesion and order, does the state define

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[88] ibid. p. 100.
[89] Dryzek continues this theme in his later works: J.S. Dryzek, *Discursive Democracy: Politics, Policy and Political Science,* Cambridge University Press, Cambridge, 1990 and *Democracy in Capitalist Times* , Oxford University Press, New York, 1996.
[90] J.S. Dryzek, 'Designs for Environmental Discourse: The Greening of the Administrative State?', in R. Paehlke, & D. Torgerson, , (eds.) *Managing Leviathan: Environmental Politics and the Administrative State,* Belhaven Press, London, 1990, p. 108.

environmental problems?[91] Most liberal democratic administrative states define problems within the context of the *efficient* use of human and natural resources. This makes the state a regulator and promoter of an increasingly rationalised economy and society. The advent of an environmental crisis - such as the Three Mile Island reactor meltdown, industrial air and water pollution - raised some difficulties for the state in terms of problem definition and response. Torgerson argues that:

> the "crisis" had to be viewed and treated not comprehensively, as a product of a basic flaw in the whole project of industrialisation, but in a manner which identified *manageable* problems. Although the problems could be regarded as somehow commonly "environmental", they had to be defined in operational terms, as primarily separate, capable of being solved in a manner which matched the *functional differentiation* of the administrative apparatus.[92]

Problem definition that would move beyond the narrow confines of the administrative response might include notions of participatory planning, regulatory negotiation, environmental mediation and forms of public inquiry.[93] These responses might give rise to new discursive designs for environmental policy making. Torgerson is quick to include an important caveat on this approach indicating that 'these innovations do not arise in a

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[91] D. Torgerson, 'Limits of the Administrative Mind: The Problem of Defining Environmental Problems', in R. Paehlke, & D. Torgerson, , (eds.) *Managing Leviathan: Environmental Politics and the Administrative State,* Belhaven Press, London, 1990, p. 123.
[92] ibid. p. 135. (emphasis added)

vacuum, and within their historical and political context, their potential is ambivalent.'[94] The representation of what the administrative state regards as peripheral concerns onto the political and administrative agenda is a two fold application of, firstly, the 'mobilisation of bias'[95] and, secondly, the strategic importance of defining problem definition. According to Torgerson, the administrative sphere, 'responds by variously repelling, accommodating and containing these challenges - typically that is, by changing its mind as little as possible.'[96]

Within a public policy framework this often laborious, step-by-step response, is described as an incremental approach.[97] The real potential for the new discursive design that flow directly from the challenge represented by, in this case, environmentalism, is that it must have the capacity to arise at the point of division or

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[93] ibid. p. 141.
[94] ibid.
[95] This is a reference to the concept 'mobilisation of bias' developed by E.E. Schattschneider, whose seminal work, *The Semi-Sovereign People: A Realists' View of Democracy in America* Holt Reinhart & Winston, 1960, remains influential in our understanding of notions of power.
[96] D. Torgerson, 'Limits of the Administrative Mind: The Problem of Defining Environmental Problems', in R. Paehlke, & D. Torgerson, , (eds.) *Managing Leviathan: Environmental Politics and the Administrative State,* Belhaven Press, London, 1990, p. 148.
[97] The most influential theorist of 'incrementalism' is Charles Lindblom, the American economist whose work on incrementalism came in response to his critique of the rational comprehensive model. It is significant that criticism of the 'rational approach' to analysis and decision-making has a long history in the social sciences, not to be regarded as post-positivist invention. This earlier analysis emphasises that the ends and means in policy making are rarely clear. The implication is that in the policy process, the 'rationality project' is strongly challenged by the politics of the 'polis' as advocated by Stone. For Linblom's articulation of incrementalism see: C.E. Lindblom, 'The Science of "Muddling Through"', *Public Administration Review,* Vol 19, No. 2, 1959, pp. 79-88.

intersection between the demands of the public sphere and the administrative response. If it can be transposed between the two positions it can provide a successful middle ground that can accommodate potentially conflicting positions. It can have a similar impact if the political conflict that arises takes a political form that allows actors to wedge themselves between competing bureaucratic steering systems – for example in a Federal political system, between State and Federal bureaucracies – which gives rise to potentially new and different discursive groupings.

As shall be argued in this thesis, the emergence of sustainable development, in its unique Australian version (ESD), is a good example of a new discursive design that adequately meets these requirements in an essentially symbolic way. As such, ecologically sustainable development (ESD) is a good example of what Stone argues is a public policy response that arises from the politics of the *polis* as distinct from the 'rationality project'. As such, its policy shape or framework is determined strategically with a heavy reliance on symbolic representation.

Managing Leviathan provides an excellent introduction to, and understanding of, the administrative state's response to environmentalism. Peahlke and Torgerson conclude that environmentalism does represent a range of challenges to the administrative state that are *unique*, because they are *complex* and

substantive, giving rise to a perception of being *multidimensional, interconnected, interactive and dynamic*.[98] This disturbs the composure of the administrative state which 'craves that which is definite, precise and calculable - tolerating little in the way of ambivalence'[99] (the 'rationality project'). Nonetheless, such ambivalent perception may well be in accord with an organisational form oriented toward a balance between the humility of recognising limits and the confidence needed for effective action.[100] This observation anticipates the nature and role that sustainable development was to play as the pivotal realignment in environmental policy in the 1990s, an attempt at integration that was 'not yet part of the available vocabulary', when *Managing Leviathan* was published.[101]

One of the key concerns advanced by the contributors in *Managing Leviathan* is whether the administrative state is institutionally capable of providing a flexible and co-ordinated response to the complex, systematic and increasingly transboundary nature of many ecological problems - problems that throw down major challenges to conventional administration and bureaucratic rationality. The rationality of bureaucratic steering systems is one of

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[98] R. Paehlke, and D. Torgerson, 'Environmental Politics and the Administrative State – Conclusion', in R. Paehlke, & D. Torgerson, , (eds.) *Managing Leviathan: Environmental Politics and the Administrative State,* Belhaven Press, London, 1990, pp. 286-288.
[99] ibid. p. 288.
[100] ibid.

problem decomposition, compartmentalisation and allocation, a rationality which routinely generates problem displacement across bureaucratic 'system boundaries'. A simple example should suffice to illustrate the application of this approach to a range of environmental issues. It also demonstrates the limits of the bureaucratic steering system in addressing environmental 'problems'. This approach continued to frame policy responses in the 1990s.

Bureaucratic Responses to Environmental 'Problems': the Case of the River Derwent, Tasmania.

In the 1970s the estuary of the 182 kilometre Derwent River in Tasmania was found to have some of the highest heavy metal contaminations in the world.[102] A list of known pollutants include: zinc; cadmium; copper; mercury; lead; chromium and arsenic; treated and untreated sewerage effluent; food wastes; by products of wood processing - cellulose, sugars, tannins, lignins and phenolics, slimicides, resin acids, sulphides, chlorine, chlorinated organic compounds, and dyes.[103] The ecological impact has been severe. Shellfish are inedible due to high zinc levels and the upper estuary is considered to be biologically dead for 6 kilometres, mainly due to the impact of effluent disposal from the pulp and paper mill located

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[101] ibid. pp. 297-298.
[102] Resource Assessment Commission (RAC), *Water Quality Management: Five Case Studies*, AGPS, Canberra, 1993. p. 93.

in the area.[104] Government policy responses have been at best *ad hoc* and reactionary, preferring to respond to immediate problems - odour, high bacterial loadings leading to closures of local beaches etc - rather than to seek long term solutions to their causes. The Resource Assessment Commission (RAC) concluded that:

> There were no policies relating specifically to the problems of the Derwent River. There were broad objectives relating to pollution control in rivers and streams Statewide.[105]

Legislative responses were completely undermined by Ministerial exemptions. This essentially protected those industries that were considered to be important to Tasmania's industrial economy from compliance with legislation.[106] A Response framed by the imperatives of the DSP. In addition to the exemptions, management approaches were hampered by the disparate number of agencies and regulations governing the estuary. Twelve government agencies in addition to seven local governments have jurisdiction over the estuary. Sixteen legislative Acts related to the estuary.[107] Some of the disparate responsibilities that exaggerated the existing problem of decompartmentalism and goal displacement included: pollution control (Department of Environment and Land Management); fisheries (Department of

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[103] ibid.
[104] ibid. pp. 105-106.
[105] ibid. p. 109.
[106] ibid. p. 110.

Primary Industry and Fisheries); landslip and erosion (Department of Mines); promotion of recreational activities and tourism (Department of Tourism, Sport and Recreation).[108] The result of this decompartmentalisation is that a range of policy instruments emerge that displaced the substantive goal of addressing water quality in the Derwent estuary - effectiveness in environmental/resource protection; economic efficiency; equity considerations and; community involvement and acceptance.[109] The RAC summed up the management issues that have arisen as a consequence of this approach as:

> the plethora of management authorities for the river; weakness in enforcing legislation; too much emphasis on fixed emission standards as the basis of regulation; and poor use of the scientific process. In the past management of the estuary has been reactive.[110]

In this small case study it is clear that 'administrative rationality' is considerably at odds with 'ecological rationality'.[111] An ecological problem, pollution in a principal water way, is displaced by the break down of the problem into its components parts so as to suit the bureaucratic steering system, responsible for

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[107] ibid. pp. 111-112.
[108] ibid. pp. 112-113.
[109] ibid. pp. 114-116.
[110] ibid. p. 93.
[111] It needs to be noted that this 'response' to pollution in the Derwent took place before a major review of departmental organisation and a consequent re-structuring. By 1993, Ministerial exemptions were made largely ineffective under a raft of new environmental legislation that was based on the principle of sustainable

its management. The pollution problem is effectively displaced, routinised as just another bureaucratic problem.

These difficulties appear to be compounded in federal systems such as Australia's, which is made up of nine distinct political authorities (plus local government) with the areas of overlapping jurisdiction covering regions of enormous geographic and climatic diversity. Eckersley's article, 'Greening the Modern State: managing the environment'[112] is the definitive outline of Australia's attempts to 'green' its bureaucratic response to environmental problems. The following is a summary of her key points.

Beyond the clash between bureaucratic rationality and ecological rationality evidenced within state responses is the extent to which the tensions within liberal democratic political systems - 'individualism' or market responses and 'collectivism' or public good outcomes - determine or give rise to a 'mobilisation of bias', particularly in relation to which policy instruments are adopted in an environmental policy framework.

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development. The Tasmanian legislative initiative is dealt with, in some small detail, later in the thesis.

[112] R. Eckersley, 'Greening the modern state: managing the environment', in P. James, (ed.) *The State in Question*, Allen & Unwin, St Leonards, 1996, pp. 74-108.

Deriving from the 'individualist' response is the purportedly 'objective' theory of neoclassical environmental economics. Here, the role of the state becomes an instrument for carrying out what cannot be efficiently or effectively carried out by the market.[113] However, it is important to emphasise that within this approach, the goal is not environmental protection per se, but rather the 'optimal allocation of resources' by means of market-based instruments (such as environmental taxes and charges). These instruments are intended, in theory at least, to 'correct market failure'. This is done by ensuring that externalities are properly 'internalised' by the economic actors so that the final price of goods reflects the full costs of production (i.e. the private costs of the firm *plus* the ecological costs to society).[114]

As a consequence, within neoclassical environmental economics or free market environmentalism, the problem of environmental degradation is approached through the lens of *pre-existing liberal normative theories* of the state, the market, property rights and/or democracy. That is, ecological problems have prompted ecological renovations to these theories, but no foundational critique of structural rebuilding.[115]

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[113] ibid. 78.
[114] ibid. pp. 78-79.
[115] ibid. p. 79.

Notwithstanding the impeccable market credentials of the prescriptions of environmental economics, however, political leaders have been particularly slow to force producers and consumers to 'pay' the full environmental costs of production.[116] Pollution 'management' in the Derwent River, Tasmania demonstrates this particular weakness. In this case, pollution 'management' is reduced to protecting the polluter from not only incurring the environmental and socio-economic costs but from the provision of regulatory sanction.

Accordingly, if the state is considered to be the (or simply one) appropriate institution to defend generalisable environmental interests, then liberal democratic institutions and bargaining processes have not proved to be particularly conducive to the articulation and defense of such interests. Indeed, this thesis supports the view that liberal democratic institutions and practices carry some systematic 'anti-ecological biases'.

Eckersley, for example, supports the view that the liberal democratic state did not evolve with complex, transboundary ecological problems in mind. Rather, it evolved to represent the interests of citizens of territorally bounded political communities. As she states:

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[116] ibid. p. 80.

> The new environmental constituency of non-citizens (noncompatriots, future generations, and nonhumans) receives, at best, qualified, haphazard and vicarious representation that is, in cases of conflict, invariably traded off against more immediate national human interests. Even within the territorial domain of liberal democracies, the public interest in environmental protection fares particularly badly. Environmental protection largely depends on public interest advocacy on behalf of long term and generalisable interests, which require a cautious and anticipatory approach to risk assessment and to scientific complexity and uncertainty. However, liberal democracies operate on the basis of partisan political competition between selfish actors, and on the basis of very short time-horizons (corresponding, at most, to election periods).[117]

Given that liberal democratic states are routinely presented with more demands than can be satisfied, what is of interest in this thesis is *how* different agencies and personnel of the state seek to appease, deflect, contain or otherwise manage environmental demands and conflicts. How this influences policy outcome is determined by a number of assumptions that drive public policy deliberations in liberal democratic states.

Human Needs as Material Needs

Capitalist liberal democratic states assume that human needs are fundamentally material needs, that are dependent on economic growth. Hence the role of state is, in theory, to interfere in the market place only when questions of distributive justice arise. In

practice, other forces, usually directly associated with electoral survival, encourage state intervention. For example, the state may promote policy initiatives in relation to structural re-adjustment (macro/micro economic reform agendas); or intervene to regulate negative externalities (pollution). In the case of environmental conflict in particular, negative externalities such as greenhouse emissions, air and water pollution force a response from the state.

Individuals, Self Interest and the Market

The concern of liberal democratic states to pursue macro and micro economic reform aimed at creating internationally competitive economies, that can 'stay afloat' in the globalised economy, defined by efficiency and increased productivity has given rise to a reliance on market-like mechanisms to determine notions of individual and collective self interest. The extent of the literature examining the central role that economic rationalism plays in this policy process suggests that the language of economics has been incorporated into the language of politics. The focus on *accountability* as distinct from *responsibility* in discussions on the mechanisms of responsible government in liberal democratic states particularly in the 1990s is a good example of the language of economics/the market/the private sector gaining preeminence in

[117] ibid. p. 84.

the language of politics.[118] This is a dominant feature of policy responses to environmental conflict, particularly the reliance on *cost-benefit* analysis, a policy instrument of the 1960s, as a means of 'accounting' for a often limited range of socio-economic, environmental issues as they pertain to development projects and in doing so completing ignoring a range of values and ideas – intrinsic and aethestic values – that lie at the foundation of the political conflict and activism that has drawn the particular issue to the attention of government and their bureaucratic steering systems.

Incremental Policy Adjustment within Rational Instrumental Governance Approaches

Within the liberal democratic state and its bureaucratic steering system the outcome in terms of policy response is predominately a rational instrumental approach. In other words, all policy processes become a means to that end - a focus on economic growth as a structural imperative - and hence almost osmosis like providing an infrastructure for achieving social goals, including environmental policy. This rational instrumental approach sees *consensus* as a normal output of interest group bargaining - it is an assumption drawn into our governance processes. Within this

[118] The point being that there is a significant difference in the notion of being *able to account for* as distinct from *taking responsibility for,* an action or outcome. One

policy framework there is a tendency to rely on 'experts' to arbitrate disputes - economists, and their essentially neo-classical theories that define policy options within the narrow parameters of efficiency and rationality, and scientists, to identify 'truth' and 'knowledge' through adherence to positivist empirical research.

Instrumental rationality relegates values, criteria, judgements regarding aesthetic appeal, and opinions to the domain of the irrational or purely subjective. As a consequence, instrumental rationality reduces policy analysis to a set of techniques of optimisation or data analysis. Arguments about values and beliefs are considered to be outside the pale of rational discourse - 'mere rhetoric', propaganda, or rationalisation, to be ignored at best or ridiculed if necessary.[119] The consequence is that public policy flows from the interaction of selected group interests – so-called 'peak bodies' - which are 'managed' within the policy process by the state, in a sequential process of trade-offs, negotiation, compromise and co-option.[120] Competing interests are co-opted and incorporated through participation in the process with the consequent implied ownership of the outcomes.[121]

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activity takes place in the market place and is an appropriate instrument of compliance. The second notion is used to apply to governance.

[119] G. Majone, *Evidence, Argument and Persuasion in the Policy Process*, Yale, 1989. University Press, New Haven, Conn., p. 177.

[120] One of the most successful strategies adopted here with regard to 'peak bodies' is to fund their participation in the process which was the case with the ACF and other peak bodies within the ESD process.

[121] J. Power, 'Advances in the Study of Australian Politics' *Australian Journal of Public Administration*, Vol. 50, No. 1, March 1991, p. 97.

As much as possible, the claims of contending interest groups are partially accommodated through integration into, or marginal adjustment of established policy and symbolic frameworks. This approach does not concede a privileged position for the green discourse, especially its ecocentric position. Rather, it promotes a very narrow view of environmentalism – an anthropocentric view - regarding commitment to 'the planet', 'the future' and the 'ecological imperative' to be essentially concerned with a range of issues relating to *human* wants and needs.[122] This focus provides the framework for the industry perspective on the environment.

Development and the Growth Discourse - the Industry Perspective on the Environment

Growth

Most neoclassical economic analyses today rest on the assumption that the economy is an isolated system involving a circular flow of exchange value between firms and households or individuals. Neither matter nor energy enters or exits this system. The economy's growth is therefore unconstrained. Nature can be finite, but it is seen as just one sector of the economy, for which

[122] For example, see the position adopted by A. Kellow and J. Moon, 'Governing the Environment: Problems and possibilities' in I. Marsh, (ed.) *Governing in the 1990s: An Agenda for the Decade,* Longman Chesire, Melbourne, 1990 pp. 226-255.

other sectors can substitute without limiting growth. As one of the most prominent critics of the neo-classical economic model argues, this model suggests that growth is a quantitative, unqualified increase in size resulting from the accretion or assimilation of materials. It follows that it is only growth and the accumulated wealth that flows from it that enables society to afford to clean up the damage done by growth.[123] In other words, addressing negative externalities such as environmental pollution, can only occur when it is a affordable. This is the fundamental economic imperative of the business/industry discourse and emerges strongly in the ESD debate.

Self Interest and the Market

The principles underlining the industry perspective on the environment is a neo-liberal position. This asserts that individual self-interest can be best attained through access to the market place and that, collectively, this activity constitutes notions of the 'public interest'. As a consequence, environmental concerns are pitched into the resurgent faith in laissez-faire market values.

[123] H. Daly, *Steady-state economics*, 2nd edition, Island Press, Washington, 1991.

Property Rights and Market Mechanisms - Free Market Environmentalism

It follows that industry reduces the role of government to the slender features of the classical night-watchman state, protecting and policing private property rights and upholding the rule of law.[124] While there is a growing recognition by industry that market externalities can and do take the form of environmental degradation there is less anticipation that these externalities are best addressed through the intervention in the market by government in the form of regulation. Increasingly, industry is attracted to the arguments presented by economists aligned with free market environmentalism in a bid to argue the case for minimalist state intervention, in the form of market incentives, that modify existing markets. These arguments extend to a denial that externalities arise as a result of the market activity but rather from an absence of enforceable property rights.[125]

Free market economists argue that if the environment were fully owned by private stakeholders, then there would be no need to impose environmental taxes because there would be no externalities; the enforcement of the relevant private property rights through the common law would ensure that either the

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[124] R. Eckersley, 'Rationalising the Environment: How Much am I Bid?', in S. Rees, G. Rodley & F. Stilwell, *Beyond the Market,* Pluto Press, Leichhardt, 1993, pp. 237-250.
[125] ibid. pp. 239-240.

appropriate costs were internalised or the appropriate compensation paid. This is the market solution to the 'tragedy of the commons' dilemma.[126]

Indeed, proponents of free market environmentalism even maintain that their approach is *more democratic* than state environmentalism because governments are imperfectly informed of people's preferences and, in any event, they are likely only to pursue 'political' outcomes that will secure their re-election. To reinforce the 'rationality' of free market environmentalism, the proper role of government should ideally be limited to establishing and enforcing new private property regimes; decisions concerning the allocation and use of these property rights should be left to private contracting parties.[127]

Recognising the contestability of this position in relation to environment policy, the business/development discourse is heavily reliant on limited policy instruments to argue its case. Chief amongst these instruments is the promotion of cost-benefit analysis within governance processes aimed at resolving environmental conflict. Here the calculus is economic, where the 'neutrality' of

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[126] This is a reference to Garrett Hardin's original articulation of the governance dilemma evoked by the notion of a 'commons' and its resource management. See G. Hardin, 'The tragedy of the commons' *Science* Vol. 162, 1968, pp. 1243-1248.
[127] R. Eckersley, 'Rationalising the Environment: How Much am I Bid?', 1993, p. 240.

economic equations is assumed to conceptualise the public good through the collective self interest derived from market activity.

How have these competing and conflicting discourses impacted on the development of environmental policy in Australia with its federal political system?

Environmental Management in a Federal context: The Australian Federal system

In the case of Australia's federal system, where three tiers of government are present – the Commonwealth, States and Territories and local governments – in relation to environmental policy development and management, two arguments about constraint emerge from three considerations. These considerations tend to flow from, firstly, what Crowley refers to as 'the lack of an environmental head of power formally spelling out environmental responsibilities in the country's constitution.'[128] Secondly, there is the argument articulated by Walker, amongst others, that a major constraint on the state response to the challenge of environmentalism, is 'the diffusion of responsibility inherent in

[128] K. Crowley, 'Explaining Environmental Policy: Challenges, Constraints and Capacity', in K.J. Walker, & K. Crowley, (eds.) *Australian Environmental Policy 2: Studies in Decline and Devolution,* University of New South Wales Press, Sydney, 1999, p. 57.

Australia's particular form of federalism.'[129] Finally, it might be suggested, as does Christoff, that the key to understanding the state's response to the environmental challenge is to recognise the constraints that reflect the domination of the political, economic and institutional fora and their agendas by adherents of 'economic rationalism'.[130]

Together, they give rise to two general arguments. On the one hand, as Eckersley argues:

> that environmental policy debate has tended to be excessively focused on the *rights, prerogatives* and *powers* of the various tiers of government with regard to the regulation of environmental decisions at the expense of the rights and duties of citizens and corporations. That is, debates concerning environmental problems or environmental management principles often become buried in jurisdictional debates, which divert attention from substantive issues and impede an integrated and bold approach to environmental problem solving.[131]

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[129] K.J. Walker, 'Statist Developmentalism in Australia', in K.J. Walker, & K. Crowley, (eds.) *Australian Environmental Policy 2 : Studies in Decline and Devolution,* University of New South Wales Press, Sydney, 1999, p. 33.

[130] See P. Christoff, 'Market Based Instruments: the Australian Experience', in Eckersley, R. (ed.) *Markets, the State and the Environment: Towards Integration,* MacMillan, South Melbourne, 1995, p. 166. For those not familiar with the expression 'economic rationalism' it is the Australian form of neo-liberal approaches to public policy with a particular emphasis on reducing the role of the state, a strong bias towards the use of market mechanisms as policy instruments and the advocacy of the market as the provider of 'choice' for the consumer and public sector customer, as distinct from the 'polis' citizen. As such, this particular ideological preference has strong links to Stone's market model and 'rationality project'. For further Australian details see: M. Pusey, *Economic Rationalism in Canberra: A Nation-Building State Changes its Mind.* Cambridge University Press, Cambridge, 1991.

[131] R. Eckersley, 'Greening the modern state: managing the environment', 1996, p. 86.

Perhaps the best example of this jurisdictional conflict is the management of the Murray-Darling river system which involves four state governments – Queensland, New South Wales, Victoria and South Australia - and the Commonwealth government in a unique institutional design – Murray Darling Commission - the outcomes of which in terms of continuing environmental degradation of Australia's 'lifeline' is, at best, in a holding pattern in relation to salinity containment and problematic in relation to agreed solutions.[132]

Eckersley recognises positive possibilities attributable to a federal system of government:

> On the other hand, it might be argued that Australia's federal system offers considerable scope for shared, multi-levelled management of ecological problems while enabling overriding central control of those ecological problems that are seen to have a national or international dimension. Such a division of jurisdiction, which approximates the 'principle of subsidiarity' adopted by the European Community, might appear to provide one feasible compromise between democratic and ecological requirements...the recent move towards co-operative federalism on the environment, expressed in the Intergovernmental Agreement on the Environment (IGAE) signed by the Australian Heads of Government in 1992, is not too far removed from this principle.[133]

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[132] A. Kellow, 'The Murray-Darling Basin' in B. Galligan, O. Hughes, & C. Walsh, (eds.) *Intergovernmental Relations and Public Policy,* Allen & Unwin, Sydney, 1991, pp. 129-145.

[133] R. Eckersley, 'Greening the modern state: managing the environment', 1996, p. 86.

The general principles of the IGAE effectively endorsed the current position: the States and Territories have responsibility for the majority of environmental issues within their borders while the Commonwealth government's responsibilities are to be confined to those areas where it has demonstrated responsibilities and interests, such as implementing treaties, regulating offshore and interstate environmental problems, controlling Commonwealth land and territories and facilitating the development of national ambient environmental standards and guidelines. Such standards and guidelines were to be set by a new intergovernmental Ministerial Council to be called the National Environmental Protection Authority, later to be called the National Environmental Protection Council. This process proved to be problematic.[134]

Although one of the professed aims of the IGAE is 'better environmental protection', most of the provisions address the matters of streamlining approval processes, creating greater certainty and resource security, and providing more opportunities for consultation. Moreover, the move towards national environmental standards is unlikely to exert an upward pressure on standards in Australia as Ministerial Councils generally work on a consensus basis and any member can exercise a power of veto. The

[134] See Chapter Four for more details regarding the IGAE and the National Environmental Protection Council.

decision making process is therefore likely to lead to the 'lowest common denominator' rather than to 'world best practice'.

As Eckersley outlines, from an historical perspective:

> Most of the discussion and analysis of the State and environmental management in Australia has tended to focus on the highly visible federal-state environmental battles, many of which have concerned the preservation of native forests and other 'wilderness' areas. Indeed, these Commonwealth/State environmental battles usually serve as the major points of reference for students of Australian environmental public policy. This modern ecopolitical narrative of political conflict is now amply documented and usually begins with the unsuccessful campaign for Commonwealth intervention to prevent the inundation of Lake Pedder by the Tasmanian Hydo-Electricity Corporation in the early 1970s. The narrative then usually follows the major Commonwealth/State environmental conflicts in which the Commonwealth government has effectively determined the outcome. Key milestones include the halting of sandmining on Fraser Island, the 'saving' of the Gordon-below-Franklin river from a hydro-electric power scheme, the preservation of Queensland's wet tropical rainforests, the Wesley Vale Pulp mill saga, the moratorium on logging in the Southern forests of Tasmania and the prevention of mining in Kakadu National Park. In all these cases, the power of the Commonwealth government was set against private capital and/or a State government or its agencies (and in some cases, local government) in the name of environmental protection. In other cases, more co-operative strategies have been pursued, most notably the Murray Darling River Basin initiative and the Landcare initiative.[135]

However, this is not to imply that these co-operative approaches have produced substantive responses to environmental degradation. Nor have co-operative approaches necessarily

ameliorated the extent of political conflict evident in a range of environmental issues.[136] Rising salinity levels, land clearing and native forest harvesting to name but three issues are sites of continuing political conflict despite attempts to develop more co-operative policy frameworks. Some of these attempts have been quite spectacular policy failures, leading to a heightening of political conflict. The failed Resource Security legislation in the early 1990s and the recent Regional Forest Agreements (RFAs) have both been policy failures that exacerbated political conflict in contentious resource management policy arena.

In many of these Commonwealth-State environmental conflicts, the environmental movement exploited the political advantages of federalism in a significant number of campaigns, many of which have resulted in the 'saving' of particular threatened pieces of Australian natural heritage by the Commonwealth government - against the protests of affected local communities. In these instances, the environment movement have been highly successful in wedging itself between the competing claims of the Commonwealth government and the State and Territories and managed to effectively play one off against the other.

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[135] R. Eckersley, 'Greening the modern state: managing the environment', 1996, pp. 87-88.

However, the literature analysing these conflicts tends to suggest that the legacy of these campaigns is that they have not led to any major 'greening' of the machinery of government or of the economy. Indeed, most of the celebrated environmental victories have generated a much more organised resistance to environmentalism, which coincided with the onset of an international recession, to produce a much less ecologically responsive Australian liberal democratic state in the 1990s.[137]

Although significant, then, the successful environmental campaigns of the 1980s have led to very minor institutional reforms, particularly at the Commonwealth level. States and Territories tend to be more responsive, although not necessarily more environmentally benign, particularly in the light of a range of jurisdictional disputes that tend to drive a political response.[138] As Eckersley points out:

> Indeed, notwithstanding the unprecedented environmental concern in the 1980s, most of the institutional innovations occurred in the 1970s.[139]

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[136] ibid.
[137] ibid. These issues are extensively covered in K.J. Walker, *The Political Economy of Environmental Policy: An Australian Introduction,* 1994 and R. Eckersley (ed.) *Markets, the State and the Environment,* 1995.
[138] R. Eckersley, 'Greening the modern state: managing the environment', 1996, p. 88-89.
[139] ibid. p. 89.

The historical development of Australia as a nation-state based largely on the capacity to exploit the valuable resource base present in the vast island continent provides an explanatory context for subsequent state responses to resource management issues.[140]

Environmental Legislative Responses in Australia

At the national level, it was the heady period of the Whitlam Labor government that saw the establishment of a separate Department of the Environment and Conservation and the enactment of a wide range of new environmental legislation,[141] including the constitutionally adventurous *Environmental Protection (Impact of Proposals) Act, 1974,* the *Australian National Parks and Wildlife Conservation Act, 1975, The Great Barrier Reef Marine Park Act 1975* and the *Australian Heritage Commission Act 1975.* Many of these new enactments were to provide the groundwork for many notable environmental decisions of the Hawke Labor government in the 1980s. These regulatory initiatives ensured that environmental considerations would be 'taken into account' by the relevant Minister when deciding the necessary approvals for large projects.

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[140] K.J. Walker, 'Statist Developmentalism in Australia', in Walker and Crowley (eds.) *Australian Environmental Policy 2,* 1999, pp. 22-44.
[141] R. Eckersley, 'Greening the modern state: managing the environment', 1996, p. 89.

Environmental impact assessment, along with the new pollution control regimes, must be understood as fundamentally *ameliorative;* they make no attempt to redirect the pattern and character of investment decisions along ecologically sustainable lines.

As Eckersley emphasises:

> Many State governments have been reluctant to halt or significantly compromise development activity on environmental grounds. That so many environmentalists have beaten a path to Canberra for relief in the late 1970s and the 1980s in certain key campaigns must be seen as a reflection less of the special green inclinations of the Federal government than of the singular unresponsiveness of certain state governments to environmental demands...This reluctance has been further reinforced by competition between States to attract large-scale industry through such incentives as lower electricity tariffs, lower taxes and charges, less onerous (or poorly enforced) environmental regulations and specifically tailored industry agreement acts, many of which are designed to 'fast track' development by suspending ordinary environmental procedures. Some States have been especially dismissive of environmental demands in times of recession and high regional unemployment, the political impact of which is often more keenly felt by local and state governments than those in power in 'remote Canberra'. Under these circumstances, hints of Commonwealth intervention on environmental grounds have been met with strong 'states rights' rhetoric and displays of local patriotism by industry lobbies and governments alike, which have portrayed environmentalists as traitors to the economic wellbeing of the community.[142]

[142] ibid. p. 93.

This was particularly demonstrated in Tasmania during the Franklin-below-Gordon dispute that generated highly volatile clashes between environmentalists and those in support of continuing hydro-industrialisation, particularly in the vicinity of the west coast of Tasmania where potential employment impacts were highly visible. Here, Liberal Premier, Robin Gray was portrayed in boxing gloves by the local media, battling the combined enemy, the Greens and the Commonwealth government.

The political economy of the Australian states and the active role played by State governments to attract investment provide a significant backdrop to the pattern of environmental conflict in Australia. As Walker has put it, such 'broader macro' constraints tend to predetermine the framework of government policy long before specific issues reach the agenda.[143]

This situation is complicated by the international dimension. As Eckersley points out:

> Following the proliferation of international environmental treaties, it is now widely acknowledged that there are few, if any, areas of environmental management that are beyond the reach of Commonwealth power. Any further 'encroachment' on State environmental jurisdiction by the Comonwealth government is now essentially a matter for political judgment rather than constitutional power.[144]

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[143] K.J. Walker, 'Statist Developmentalism in Australia', in Walker and Crowley (eds.) *Australian Environmental Policy 2*, 1999, pp. 22-44.
[144] R. Eckersley, 'Greening the modern state: managing the environment', 1996, p. 94.

Major considerations bearing on such judgment will include the strength and popularity of international and local environmental demands, the sources of environmental opposition and electoral competition, general economic circumstances, budgetary constraints (especially bearing in mind the precedent of Commonwealth compensation to disgruntled States in cases where major development projects are 'abandoned'), and administrative capacity. The only real attempt to ameliorate the 'politics of federalism' within environmental policy development in Australia was the attempt under notions of 'co-operative federalism' to establish the Inter-governmental Agreement on the Environment (IGAE) in 1992.[145]

Whereas in the 1970s the move was to 'balancing', in the 1990s this had shifted to integration. Instead of merely 'tacking on' environmental consideratons to particular development projects (the EIS approach), the ESD discourse promised to build enduring bridges between environment and development objectives.[146]

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[145] The IGAE will be the subject of more scrutiny within the analysis of ESD that will follow later in the thesis, see Chapter Four. The IGAE endorsed the principles of ESD enshrined within the National Strategy for Ecologically Sustainable Development.
[146] ibid. p. 97.

As Eckerlsey argues:

> Unlike the Federal government's Accord exercise with the unions in the early 1980s, the ESD exercise in the 1990s attracted surprisingly little publicity - even when industry joined green groups in accusing Commonwealth and State bureaucrats of 'hi-jacking' the operation and watering down the Working Groups' recommendations during the final stages of preparing the strategy. The final ESD Strategy was largely couched in permissive (rather than mandatory) terms with few commitments to targets and timetables or specific legislative and fiscal initiatives.[147]

In other words, the outcomes were salient, ameliorative and perfectly in line with the strategic requirements of a modern liberal democratic state under challenge from a resistant discourse but nevertheless restrained by its structural imperatives.

The Paradoxical Nature of the State's Role in Environmental Policy

At the beginning of this Chapter this thesis implied, as a consequence of the constraints of Dryzek's legitimising tasks, that on the one hand, the modern liberal democratic state has an institutional self-interest in safeguarding the interests of capital. This is not because of some conspiracy but rather because of its functional dependence on the flow of resources that private capital provides. On the other hand, the state must redress the negative social and ecological externalities generated by private capital

accumulation (or, in some cases, the activities of its own instrumentalities). However, as Dryzek argues any *concerted* attempt to regulate private investment and management decisions to a point where negative ecological externalities are eliminated, particularly if this follows the logic of the market and incurs a cost to continued production (as distinct from merely ameliorated) would be deeply inimical to the interests of private capital and likely to lead to capital strike or flight. Governments simply cannot risk serious economic dislocation or a cessation of growth, as either of these are likely to bring about their demise.[148]

As such, the contradictory imperatives - to appease public concern over ecological degradation and maintain private capital accumulation - are not resolvable, they can only ever be *managed, a*nd usually only 'at the margins' through incremental change, the prescribed and preferred bureaucratic steering system response. 'Successful' management required cultivating at least the semblance of consensus while effectively maintaining policies and institutions that appeased those groups (capital, labour) whose support is vital for ongoing capital accumulation.

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[147] ibid. p. 98.
[148] J.S. Dryzek, *Democracy in Capitalist Times,* 1996, pp. 35-70, and J.S. Dryzek, 'Democracy and Environmental Policy Instruments', in R. Eckersley, (ed.) *Markets the State and the Environment,* MacMillan, South Melbourne, 1995, pp. 294-308.

These generic, functionalist accounts of the contradictions facing the modern liberal democratic state help to set the broad parameters of *political* manoeuvrability for the state vis-a-vis the economy. However, they pay insufficient attention to conflicts *within* the state apparatus.

Functionalist accounts do not *explain* the particular compromises forged by political leaders and bureaucrats, or particular arrangements forged by bureaucrats and their 'clientele'. Nor do they pay sufficient attention to bureaucratic rivalries, which are often reproduced in Cabinet in the pecking order of ministerial portfolios. Moreover, recent shifts in the environmental policy discourse indicate that the economy-environment contradictions are not as deep-seated as this generically analysis suggests, at least if 'ecological modernisation' is taken seriously. This suggests that there exists a more general set of institutional barriers, over and above 'the discipline of the market', that impede ecological reforms.

This also indicates that the adoption of the 'rationality project' to resolve the political conflict that arises within resource management issues will have a limited outcome in terms of a substantive policy response. Paradoxically, the outcome may be more indicative of a strategic policy response driven by the ideas and values of the 'polis'.

This *polis* view is reinforced by the growing theoretical literature pointing to a fundamental incompatibility between traditional bureaucratic rationality and 'ecological rationality'. On the one hand, ecological problems are *inherently complex, nonreducible, variable, uncertain,spontaneous and collective in nature.*[149]According to Dryzek, to be 'ecologically rational' (i.e. to be able to maintain consistently ecological life-support systems) a social steering system must be able to respond effectively to negative feedback, co-ordinate across all system boundaries to prevent problems displacement, and be flexible and resilient in order to cope with unexpected changes.[150] The system then provides opportunities for a discursive policy outcome more akin to the *polis*.

On the other hand, bureaucratic organisation and rationality is concerned to devise efficient means for achieving stated ends through problem decomposition and allocation, rule-bound behaviour, specialization and routinization, and a top-down chain of command.[151] An adoption of the 'rationality project' approach. However this is seen to be an inappropriate and inadequate response as the rigid nature of traditional bureaucratic structures does not allow for sufficient interactions across the boundaries of

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[149] J.S. Dryzek, *Rational Ecology: Environment and Political Economy,* Basil Blackwell, Oxford, 1987, pp. 28-33.
[150] ibid. pp. 46-54.

administrative subsets, which often leads to problem displacement and an inability to respond swiftly and creatively to changed circumstances (especially negative feedback).[152]

As has been argued earlier in this Chapter and reiterated by Eckersley:

> Traditional forms of inter-agency communication and co-ordination (interdepartmental committees, Cabinet discussion and informal liaison among civil servants) are too *ad hoc* and infrequent to anticipate and prevent systematic problems displacement.[153]

Indeed, inter-agency communications are too often aimed at entrenching existing bureaucratic positions on particular issues, establishing the parameters for future 'turf wars' between agencies. Hence the focus on 'problem definition' highlighted by the Derwent River example. Here the problems of agency compartmentalisation is also exacerbated by the problems of agency capture and inter-agency competition.[154]

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[151] R. Eckersley, 'Greening the modern state: managing the environment', 1996, p. 103.
[152] ibid.
[153] ibid.

As Eckerlsey emphasises:

> In an increasingly 'borderless' economic world, there appear to be few incentives for states to orchestrate a through going greening of the domestic economy in the absence of international regulation or, failing that, comparable environmental regulation (and taxation) by relevant trading partners. This is reflected in the ongoing contradiction between macro-economic policy and environmental policy at the national level, notwithstanding the rhetoric of sustainable development.[155]

In Australia an attempt was made to integrate environmental policy with the national micro/macro economic reform agenda under the auspices of ESD.

Eckersley concludes by arguing that:

> The Australian experience...suggests that the political and economic integration of different tiers of government makes little difference in the absence of firm political commitments to environmental reform and profound changes to the organisation and culture of government administration and state-economy relations. It is at this point that the argument becomes somewhat circular. That is, we have seen that 'firm political commitments' to environmental reform are hard to come by in liberal democracies - partly because of the difficulties associated with defending long-range, 'generalisable' interests, partly because of bureaucratic rigidities, and partly because of international capital mobility and the general ' discipline of the market', which severely constrain the negotiating margins of environmental policy.[156]

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[154] ibid. p. 104.
[155] ibid. p. 106.
[156] ibid. p. 107-108.

All these factors have impacted on Australia's search for 'sustainable development' and provides a useful context for testing the hypotheses regarding liberal democratic states and their legitimising imperatives, as outlined by Dryzek. However, before this search is outlined in detail it is pertinent to outline the theoretical and methodological framework that will inform the analysis of this process, seeking to place a 'lens' over the contours of this complex and dynamic ESD process. The components of this methodological framework and its theoretical foundations will be discussed in Chapter Three.

Chapter Three

Conceptualising Theory into Methodology: Towards a Discourse Approach to Policy Analysis

> All forms of political organisation have a bias in favour of the exploitation of some kinds of conflict and the suppression of others because organisation is the mobilisation of bias. Some issues get organised into politics while other are organised out. [157]

Introduction

To this point, this thesis has outlined a range of arguments about the liberal democratic state's response to the challenge of environmentalism. First, that states are under enormous pressure from a variety of contemporary dynamics: increased social complexity; increased uncertainty requiring a capacity to respond to change and; that this pursuit of change is being driven by expectations of further democratisation of the public policy process, leading to enhanced notions of citizenship.[158] Second, that as a social movement, environmentalism embodies this challenge and in addition provides a potent and unique challenge to the liberal democratic state because of the values and ideas inherent within

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[157] E.E. Schattschneider, *The Semi-Sovereign People: A Realists' View of Democracy in America* Holt Reinhart & Winston, 1960, p. 71.

[158] This is further developed by Yeatman in: A. Yeatman, 'The Reform of Public Management: An Overview', *Australian Journal of Public Administration* Vol. 53, No. 3, September, 1994, pp. 287-295.

the NEP. This Green discourse directly challenges the DSP's commitment to the growth imperative. Third, the liberal democratic state's capacity to respond to this challenge is constrained, on the one hand, by a range of bureaucratic steering systems responses that are unlikely to address ecological issues substantively and on the other hand by the structural imperatives as outlined by Dryzek that collectively require a liberal democratic state to perform three legitimising tasks: the accumulative imperative; the legitimising imperative and; the capacity to 'stay afloat' in an international global economy. Fourth, with specific reference to the Australian liberal democratic state, the historical context of resource management policy within a federal political system is a decisive influence on the range of policy options available to meet the challenge of environmentalism.

The challenge of environmentalism, for all the reasons outlined above, provides the impetus for substantial political conflict to arise in the modern liberal democratic state.

Preceding Chapters have proposed that the policy analysis of this clash of paradigms, whilst useful in making assertions as to *why* certain outcomes and responses predominant - largely linked to structural imperatives - is limited, in that none of these assertions are tested. What is required, in order to add a useful layer of analysis is a theory/methodology conceptualisation that allows

us to test Dryzek's hypotheses[159] and in doing so explain *how* the liberal democratic state responds to such a challenge, given the constraints on its capacity. Dryzek's hypotheses will be tested within the ESD policy framework by adopting a discourse approach to policy analysis.

Re-Inventing the Politics of Public Policy

This Chapter is inspired by, and premised upon, Deborah Stone's assertion that public policy processes and analysis are dominated by the 'rationality project' and the 'market model' of society.[160] Stone observes that despite the attempt of the 'rationality project's' to 'take the politics out of policy decision-making'[161] in the sense that under this policy regime objectives for public policy are handed down on a 'stone tablet' as an outcome of the 'production line'[162] policy process, in reality, public policy objectives are subject to *political conflict* and are *constantly changing*. What is missing in the 'rationality project', according to Stone, is an appreciation that the essence of policy making in political communities – the *polis*- is the struggle over ideas:

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[159] Dryzek , it will be recalled, makes three claims about what liberal democracies must ensure when faced with political challenges: secure the growth imperative; the legitimising imperative with the development of a policy response and; 'staying afloat' in a globalised economy where notions of national sovereignty are undermined by adherence to the requirements of international regimes.
[160] D.A. Stone, *Policy Paradox*, 1997.
[161] ibid. p. 6.
[162] ibid. p. 10.

> Ideas are the very stuff of politics. People fight about ideas, fight for them, and fight against them. Political conflict is never simply over material conditions and choices, but over whatever is legitimate. The passion in politics comes from conflicting senses of fairness, justice, rightness, and goodness.
>
> Political fights are conducted with money, rules, and with votes, to be sure, but they are conducted above all with words.[163]

Furthermore, as Stone argues, there is an important link between ideas and boundaries in the policy process. Boundaries are drawn up around ideas in the sense that they define stakeholders in and out of a conflict or place them in an alliance or as a political opponent:

> In politics, the representation of issues is *strategically* designed to attract support to one's side, to forge some alliances and break others. Ideas and alliances are intimately connected.
>
> Finally, the interaction between ideas and alliances is ever-changing and never-ending. Problems in the polis are never 'solved' in the way that economic needs are met in the market model.[164]

In summary, Stone argues that because ideas are at the centre of political conflict, policy making is a constant struggle between competing sets of ideas, that place boundaries around the issues, the stakeholders and problem definition. As a consequence, ideas are presented *strategically* in order to create alliances where the

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[163] ibid. pp. 32-34.
[164] ibid. p. 34.

definition of ideals guides the way stakeholders both respond and behave. As Stone points out, these boundaries may be equally plausible but produce contradictory interpretations of what may be the same abstract goal. This is because these boundaries are constantly contested:

> Each mode of social regulation draws lines around what people may and may not do and how they may or may not treat each other. But these boundaries are constantly contested, *either because they are ambiguous and do not settle conflicts,* or because they allocate benefits and burdens to people on either side, or both. Boundaries become real and acquire their meaning through political struggles.[165]

This contest creates a political – that is strategic - dilemma for the liberal democratic state and its public policy processes. This in turn requires a dynamic and creative response from the policy analyst in reinforcing the significance of contested ideas in the *polis.*

A significant proportion of the recent literature - post 1986 - in the policy studies field has been trying to re-establish the importance of what Fischer and Forester call the 'argumentative turn' in policy analysis and process.[166] In summary, the essential focus of the argumentative approach is the study of how language, conceptualising ideas, comes to shape the way we make sense of the

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[165] ibid. p. 13. (emphasis added)
[166] F. Fischer, & J. Forester, (eds.) *The Argumentative Turn in Policy Analysis and Planning,* UCL Press, London, 1993.

world.[167] This approach, adopted by Fischer and Forester and their contributors, including Rein and Schön, and Dryzek, addresses policy activity when an issue becomes set in a particular language or discourse. The focus here, is on agenda setting and problem definition.

Essentially, this focus on the 'argumentative turn' is indicative of two salient features of the policy process - the complexity of issues facing liberal democratic states and the corresponding demand for more participatory democratic processes. Both features are represented conceptually in the literature through an increasing acceptance of the importance of ideas. This explicit focus gives rise to a range of issues for the policy analyst of which notions of meaning (belief systems such as environmentalism), subjectivity (being an environmentalist) and legitimacy (response of the liberal democratic state) are but three of the most pertinent to this case study.

The first two are largely ignored in structuralist approaches and the debate over what constitutes the latter clearly demonstrates the challenge that the former provides for such policy analysis. It is the importance of ideas that provides the key link to the adoption of a discourse analysis methodology within a policy studies project.

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[167] ibid. See particularly the Introduction, pp. 1-8.

What this approach maintains is a respect for the dynamics of the public policy process. It does so by 'isolating' ideas as a means of *demonstrating* the previously implied influence of, for example, institutions and/or the structural imperatives of the state. All the assertions of organisational theory[168] - the role of rules, procedures, a set of unstated normative assumptions etc - are exposed, as ideas, that play a dynamic role within the policy process. They become transparent when presented as strategically aligned discourses, presented in text and policy statements, subject to the same scrutiny as other competing claims. The competing discourses capacity to influence in both positive and negative ways the process leading to policy recommendations is examined and exposed by way of careful analysis of *where* and *how* those ideas come to rest within the policy recommendations. Such analysis demonstrates the power a single discourse or a coalitions of discourses have to promote or deflect change, co-opt or marginalise competing and supplementary claims and how this occurs as a result of the *strategic* positioning of discourses within the policy process.

In the case of environmental policy - specifically attempts to provide a public policy response to notions of Ecologically Sustainable Development - this is particularly valuable given the exacerbated political conflict that arises from the clash of competing

[168] For an introduction see: D. Pugh, & D. Hickson, *Writers on Organisations* (5th edition), Penguin Group, England, 1996.

paradigms - environmentalism and development. Here, ideas matter.

Ideas Matter

My argument is that *ideas* can be conceptualised across both theoretical and methodological axes. That is, they provide a *lens* both on the *substance* of policy activity and the *method of viewing* that activity. Ideas are conceptualised through and in language or discourses. These discourses shape the way individuals and importantly institutions make sense of the world and in this case study, public policy processes.

The originality of this approach is that it both challenges and adds to traditional approaches to policy process and analysis. Describing the processes and symbolic ideas, often merely reflecting an acceptance of structural imperatives within liberal democratic states, is simply an inadequate base for *understanding* and *explanation.* This is particularly so if the focus of the analysis is to explore *how* liberal democratic states respond to uncertainty and complexity in one particular public policy case study. Similarly, reducing explanations of outcomes to 'politics' does little to enhance our understanding of the 'black box'[169] of policy. However,

[169] This is a reference to Easton's use of the term 'black box' to describe what happens (although largely unseen) in the heart of his systems approach to the

a focus on the range of ideas present, the discourse around those ideas (especially the complexity, contestability and commensurability) and the discursive practises that emerge within an institutional policy framework provides a key link in any explanatory note.

Political Activity as a Contest Over Meaning

It follows that this approach establishes a view of the role of the state that is more akin to meeting the challenges faced by liberal democratic governments - addressing complexity, uncertainty and increased democratisation.

This approach argues that within this policy challenge, the very purpose of democracy is to establish a framework for engaging in open discourse and in turn, for judging its quality. As Yeatman argues, politics within a liberal democractic state involves the reduction of complexity surrounding competing claims by means of decisions and policies. The field of political activity comprises all those who seek to affect and to contest how the agendas of policy-making are framed. Political activity itself becomes pre-eminently a politics of contest over meaning: it comprises the disputes, debates and struggles about ideas and how they are constituted and owned

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political process. See D. Easton, *A Framework for Political Analysis,* Prentice Hall, New Jersey, 1965.

by the participants; how a relationship between them can be established; and how the institutional frameworks of the state, in turn, impact on those discourses and the extent to which they are influenced by those discourses.[170]

This is not an attempt to reify ideas. Indeed, it is important to emphasise and reinforce the view, linked to the focus of the role of the state in environmental policy, that it is less the power of ideas in themselves, than the power of liberal democratic institutions to *embody* and *incorporate* or *reject* them into policy process that is being recognised in this thesis. Two positions follow: firstly, that within the policy process, ideas are essentially framed by the institutions within which they are set; and secondly, if ideas are to have any real impact they have to become institutionalised.

Ideas become institutionalised when they are conceptualised within the text and language of public policy statements/documents. The text and language of policy statements within a liberal democracy becomes the public face of the state. As such, it is within the language and text of a policy statement that we can explore the question of *how* the state responds to the challenges to its legitimacy represented by the NEP.

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[170] A. Yeatman, *Bureaucrats, Technocrats, Femocrats*, 1990, p. 155.

At the completion of a public policy deliberation such as the ESD process, the text and language of policy statements are all we can know about the outcomes of those discursive contests that occurred within the process. All else outside of those texts is subject to assertion and speculation, regardless of its empirical basis or methodology. Policy documents are not only the public face of the policy process they also constitute the 'bottom line' of the discursive contest that framed the outcomes.

Ideas matter because they establish the *contexts* within which policy debates are conducted, organisational activities are rendered coherent and meaningful, and stakeholders actions are animated and directed. It follows, according to Stone, that because in the *polis* there are competing conceptions of abstract goals, people fight about which conception - problem definition - should govern policy. As Stone argues:

> In the polis, then, problem definition is never simply a matter of defining goals and measuring our distance from them. It is rather the *strategic representation* of situations. Problem definition is a matter of representation because there is no objective description of a situation; there can only be people's experiences and interpretations. Problem definition is strategic because groups, individuals, and government agencies *deliberately and consciously design portrayals* so as to promote their favoured course of action.[171]

[171] D.A. Stone, *Policy Paradox*, 1997, p.133. (emphasis added)

Hence, in the *polis,* symbolic representation is the essence of problem definition. Liberal democratic states faced with the need to respond to increased social and cultural complexity; increased uncertainty, requiring a capacity to adapt to ongoing change; and a corresponding expectation of increased democratisation of the public policy processes often use symbols as political devices that become a means of influence and control. Again, this does not imply intentionality but it may indicate a strategic – political - response to the 'challenge' outlined above. As Stone asserts:

> But in all policy discourse, names and labels are used to create associations that lend *legitimacy* and attract support to a course of action...Thus, the very labels in policy discourse evoke different stories and prescriptions. In the world of politics, language matters.[172]

The most important feature of all symbols in politics is their ambiguity. As Stone argues ambiguity is essential in politics because of the strategic role it plays in the 'contest over ideas' that constitutes the public policy process. To summarise Stone's argument, ambiguity plays a strategic role in that it:

- enables the transformation of individual intentions and actions into collective results and purposes. Without it,

[172] ibid. p. 154. (emphasis added)

cooperation and compromise would be far more difficult, if not impossible;

- allows political leaders to aggregate support from different quarters for a single policy;
- allows leaders of interest groups and political movements to bring together people with wishes for different policies;
- masks internal conflicts that will become evident as the stakeholders seek concrete policies;
- enables political leaders to carve out a sphere of maneuvering hidden from public view, where they can take decisive action on a problem;
- enables legislators to satisfy demands to 'do something' about a problem by endorsing 'an agreement' with ambiguous meaning, then letting administrative agencies hash out the more conflictual details behind the scenes;
- allows policy makers to placate both sides in a conflict by 'giving the rhetoric to one side and the decision to the other.'[173];
- facilitates negotiation and compromise because it allows opponents to claim victory from a single resolution;
- helps individuals reconcile their own ambivalent and inconsistent attitudes so that they are capable of giving sustained support to leaders and policies;

- enables goals to appear both as threats and ideals, perhaps to different sets of people and perhaps even to the same people.[174]

In short, Stone argues that ambiguity has the capacity to enable the transformation of individuals intentions and actions into collective results and purposes. Without it, co-operation and compromise would be far more difficult, if not impossible.[175] Hence its strategic importance in the *polis*. However, it is important to reiterate that the use of ambiguity within the policy process does not necessarily resolve *substantive* policy conflict. Again, a reflection on the nature of the *polis* as distinct from the market. It does, however, highlight the extent of the complexity, reflected in the range of competing discourses present in the policy process.

Ambiguity may have other purposes within the policy process, as a strategic rather than substantive response, and depending on which one or combination is being used they directly impact on problem definition within the policy process. Again, as reiterated earlier in this Chapter, the other 'strategic purpose' may not be intentional but may become available to the state for purposes beyond the immediate and

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[173] ibid. p. 158.

intentional goals of the policy process. For example, the ambiguity inherent in the concept of ESD may directly assist the state in the amelioration of political conflict, a secondary, but important consideration in the light of Dryzek's argument that liberal democratic states must secure the legitimising imperative through developing public policy responses to political conflict.

Linked to the possibility that ambiguity has the added strategic advantage of advancing structural imperatives such as the legitimising imperative is the rhetorical *Hobson's Choice.* Stone describes this strategic tool thus:

> Another part of strategy in the polis is to make one's preferred outcome appear as the only possible alternative. For this purpose, construction of a list is crucial. An alternative is judged by the company it keeps. By surrounding the preferred alternative with other, less attractive ones, the politician can make it seem like the only possible recourse.
>
> ...The author, speaker, or politician offers the audience an apparent choice, wearing all the verbal clothing of a real choice, when in fact the very list of options determines how people will choose by making one option seem like the only reasonable possibility.[176]

The application of *Hobson's Choice* will be explored later in the thesis when a discourse analysis is undertaken of

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[174] ibid. pp. 156-162.
[175] ibid. p. 157.

the Manufacturing Report in the ESD process (see Chapter Seven).

Consensus decision-making

Another set of symbols adopted by the liberal democratic state are consensus decision-making and extended political participation within public policy processes. Whilst these approaches have the positive democratic political advantages of extending the number of participants involved in the process and can in addition reduce the level of political conflict through collective ownership of outcomes, the premises underlying these approaches often undermine the potential for substantive outcomes.

Some of the areas that are problematic in relation to consensus decision-making are: What role do interest groups play in consensus decision-making? What assumptions about the 'behaviour' of the participants is assumed within consensus decision-making?

Assumptions about the role of interest groups are problematic in relation to consensus decision-making. As

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[176] ibid. p. 246.

Reich argues, interest groups are instrumental devices for fulfilling the individual desires of their members, not bodies for deliberating what is good for society; their representatives are paid to be advocates as distinct from statespersons.[177] In addition, there is often tension between the leadership and the rank and file of an interest group operating in the public domain.

As Dryzek argues, conditions of consensus formation might well be disturbed by the influence of power based on prestige, professional status (expertise) or argumentative ability.[178] This corporatism limits access by the broader community to these processes and alienates recalcitrant groups. Consensus derived from this approach often takes the form of action attained on the part of small unrepresentative groups - peak bodies - or at worst, secretive assemblages of business officials and bureaucrats. All these elements are present at various stages within the ESD process as the conventional political analysis contends (see Chapters Four and Five).

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[177] R.B. Reich, 'Policy Making in a Democracy', in R.B. Reich (ed.) *The Power of Public Ideas* , 1988, p. 146.
[178] J.S. Dryzek, 'Policy Analysis and Planning: from Science to Argument' in Fischer and Forester, *The Argumentative Turn in Policy Analysis*, 1993, p. 227.

As Dryzek points out, some participants may be less scrupulous than others in the kinds of arguments they advance and the way they are packaged. The process of consensus decision-making may involve information overload, by accident or by design. Technical jargon, slanted rules of admissibility of evidence or argument, and the deliberate stigmatisation of unconventional proposals can all effect the outcome of debate.[179] For example, the constant call for 'more science' by industry and government neglects the fact that science is but *one* set of competing values in this process. 'More science' - implying value neutrality and objective solutions - has little appeal to individuals or communities who attach meaning to intrinsic or aesthetic values.

Finally, as Dryzek emphasises, the standards through which consensus may be reached or appealed to can also vary. Commonly accepted value systems may embody unexamined normative constraints that systematically favour particular groups.[180] For example, liberal democratic states tend to rely on certain governance imperatives in addressing the complex issues that confront them. The maintenance of legitimacy through stability, growth and 'staying afloat' are promoted

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[179] ibid.
[180] ibid. pp. 227-228.

through the maintenance of economic growth, the emergent reliance on market oriented activity and the provision of consumer choice. Both control and drive the processes that emerge. In doing so, they advance the values and ideas of the market place and hence advantage those groups who benefit from market outcomes, those being able to freely access the market place. Other actors are not so fortunate.

Participation

Demands for participation within public policy processes usually takes the form of increased consultation and transparency. The political agenda here is the promotion of the idea that increased democratisation of the process through participation will assist the state to maintain its legitimacy against the pressures of social and cultural complexity and increased uncertainty. The prevailing assumption is that increased democracy will make public policy - the strategies and actions - work more effectively. Here, the view is that in a democracy, citizens shape policy. Some scholars, notably Habermas, link this process to notions of responsible citizenship and the emergence of 'civic society'[181] - a notion of

[181] J. Habermas, *Legitimation Crisis*, Heinemann, London, 1993. Dryzek critically explores these notions of a 'public sphere' and 'civic society' in his works: *Discursive Democracy*, 1990 and *Democracy in Capitalist Times*, 1996.

virtue, somehow divorced from the imperative of either the state or the market. In short, a return to the Platonic ideal.

Calls for increased participation underestimate the extent to which citizen participation can produce fragmented, ineffective responses to public policy issues. Participation itself can have the effect of opening too many points of access to the process. As such it becomes a major impediment for reform or change.[182] For example, decentralisation and calls for participation may empower political opponents and lead to regressive and ineffective policies. Often the call for the exercise of democratic rights falls on deaf ears. More often than not, increased participation results in the policy process being bogged down as groups and individuals who perceive their interest to be threatened attempt to scuttle the process or tie it down. Rights-based claims tend to be absolute, leading to discursive closure, distort policy deliberation and propogandise the process. A commitment to participation does not yet explain how to ensure that citizens participate responsibly. Communities, individuals and groups can be despotic.

[182] See for example, P.R. Hay, 'The Politics of Tasmania's World Heritage Area: Contesting the Democratic Subject', *Environmental Politics*, Vol. 3, No. 1, Spring 1994, pp. 1-21.

The fact that these processes inevitably occur within the confines of the administrative state is problematic. The very nature of administration makes it a poor avenue for democratic life. Participatory politics do not cope successfully with the vagaries and complexities of a political world dominated by administration. It is difficult to sustain democratic citizenship within an institutional arena extensively insulated from the vagaries of public opinion, raw emotion, elections and legislative deliberation. As a result, consensus decision-making and participation mask the reality that public policy is essentially about the institutionalisation of political conflict.[183] In short, policy creates its own politics and affects citizen orientation and participation, not the other way around. As such, policy design sends messages about what the state is supposed to do, which citizens are deserving and undeserving in the sense of the legitimacy of their ideas acted upon as interests, and what sort of participation is appropriate in democratic societies.[184]

This policy complexity and the problematic aspects of the key elements of policy design are indicative of the need

[183] Within the context of theories on power, writers such as Dahl and Schattschneider had conflicting views as to how this emerges.
[184] These issues are explored by contributors in: H. Ingram, & S. Rathgeb Smith, (eds.), *Public Policy for Democracy,* Brookings Institute, Washington, D.C., 1993.

for a more pertinent and useful analysis of the process. This need is met by a policy discourse analysis.

Policy Discourse Analysis

Essentially, the notion of discourse entails three claims. First, the claim that social relations are constituted in and through discursive processes that generate *meanings*. Second, the claim that these meanings are contested and that in any given setting there are likely to be *dominant* and *resistant* discourses. Within the focus of this thesis this contest is represented respectively by the DSP and the NEP. Third, the claim that discourse is not simply a means to an end but that the power to control and shape meanings is an end in itself and constitutes an essential form of power. This emphasises that whilst Lukes'[185] third dimension of power has always been the subject of criticism over its limits to be tested empirically, the application of a discourse methodology goes a long way to *demonstrate* the insights into power that the third dimension alludes to.

Meanings are located in and through language and policy text - in the form of policy documents. Those policy documents are

[185] S. Lukes, *Power: A Radical View* Macmillan, London, 1974, pp. 36-45. I concur with Lukes that Crenson's empirical application is both 'intelligent' and 'ingenious'. (p. 60.). See: M.A. Crenson, *The Un-Politics of Air Pollution: A Study of Non-Decisionmaking in the Cities* , John Hopkins Press, Baltimore, 1971.

what we can know/understand and interpret about the policy processes and the outcomes. Language through text constructs meanings and hence constitutes a form of power that demonstrates the efficacy of Lukes' second and third dimension of power.[186]

The discourse analysis approach(es) within policy studies focus on the complexity of *explaining* policy action and the range of analytical tools required to *understand* action. The key elements are:

- the construction and use of specific discourse as a form of policy hegemony, such as the DSP;
- the central role of specific forms of organising policy communities and networks to create, manipulate and exclude discourses;
- the tendencies of various values, ideas, interests and resources to form clusters and become a specific discourse and to be juxtaposed with other discourses;
- the structure and utilisation of argument, persuasion, rhetoric, ambiguity and symbolism as central to explaining policy outcomes;

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[186] In particular, Lukes' conceptualisation of three dimensions of power assists in the comprehension and analysis of the opposing discourses involved, together with the more complex normative elements present in environmental policy processes. Lukes' third dimension is of particular significance within this policy framework because as Crenson demonstrated, powerful interests can prevent latent or potential issues from entering the environmental policy process. As Lukes' observes, this involves the manipulation of : 'values, beliefs, rituals and institutional procedures that operate systemically and consistently to the benefit of certain persons or groups at the expense of others'. (p. 43).

- the link between the ambiguity of symbols and hegemony;

- the power of ideas and values as guides to action.

Policy discourse analysis is currently a series of rather disparate conceptual streams from a range of theoretical origins. Elements of 'post-structuralism', 'the new institutionalism', 'post modernism' and post-positivist' are all present in the literature.

Political discourse analysis is not new, it is simply being revisited and refined. Discourse analysis has always been central to the social theorising of writers such as Foucault, Habermas and Offe, although its application by each theorist varies. As Howarth emphasises:

> Discourse theory draws its inspiration from *interpretative* sciences such as hermeneutics, phenomenology, structuralism and deconstruction. These sciences are organised either around the interpretation of literary and philosophical texts, or the analysis of the way in which objects and experiences acquire their meaning. Placing itself in this tradition of thought, the discourse approach shares some resemblances with Max Weber's method of *verstehen.* In this methodology, the social science researcher attempts to comprehend social action through empathising with the agent who acts in society. The difference is that the discourse analyst examines the ways in which the structures of meaning make possible certain forms of conduct. In doing so, s/he tries to understand how the discourses which structure the activities of social agents are *produced,* how they *function,* and how they are *changed.* In endeavouring to understand these objects of investigation, the discourse analyst gives priority to political concepts such as 'antagonism', 'agency', 'power' and 'hegemony'.[187]

[187] D. Howarth, 'Discourse Theory' in D. Marsh, and G. Stoker, (eds.), *Theory and Methods in Political Science* , MacMillan, London, 1995. pp. 115-133.

In the arena of policy discourse analysis, post-positivist approaches are evident. This term - post-positivist - will be adopted in this thesis to locate the application of discourse analysis within a policy framework - policy discourse analysis.

The Promise of Post-Positivist Approaches

The evolving literature that adopts and emphasises this approach to analysis of the role of the state in liberal democracies - an approach that refocuses on competing ideas rather than simply adopt or apply the rational goal-oriented policy framework - falls under the heading of post-positivism. Post-positivism is a response to the positivist conception of knowledge where a commitment is given to a set of professional theories and practices that fundamentally neglect the full range of human and social values.[188] Positivism, from a post-positivist critique, fails to attend sufficiently to the social and political value questions that give meaning and direction to our lives. As Fischer argues, the adoption of positivism as a theory and methodology within policy analysis has seen the elevation of scientific and technical experts to a status where the rational person is one who agrees to submit to the properly derived technical and administrative knowledge of the experts. The preeminence of positivism has had major implications for

[188] Fischer extends these propositions in F. Fischer,'Reconstructing policy analysis: A postpositivist perspective', *Policy Sciences*, Vol. 25, 1993, pp. 333-339.

governance processes, in that, it follows that the authority of the expert can take precedence over the democratic exchange of opinions.[189]

Hawkesworth explores the consequences of this position with clarity:

> For the matters of deliberation and choice concerning the form of life to be pursued by particular communities cannot be resolved by the introduction of scientific proofs. The central questions of politics do not conform to an illusory model of knowledge in which there is one and only one correct position supported by an uncompromising logic derived from the necessity of truth.[190]

Fischer identifies a number of foci that broadly constitutes a post-positivist approach. Post-postivist approaches emphasise the *political nature* - in the sense of contestability and the strategic application of ideas and values - of governance processes and analysis as distinct from the reliance on technically oriented disciplines where analytical concepts are seen to have a privileged status as universal truths rather than recognising that they are just *one set* of political claims. Within this focus, for example, the

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[189] F. Fischer, *Technocracy and the Politics of Expertise*, Sage Publications, Newbury Park, 1990. pp. 43-44.
[190] M.E. Hawkesworth, *Theoretical Issues in Policy Analysis*, State University of New York Press, Albany, 1988, p. 188.

efficient policy that produces political dissensus would be as problematic as the ineffectual policy that generates consensus.[191]

Post-positivist approaches recognise that policy analysis must focus on the *political, ideological* and *value* issues that underpin the policy process at all levels of participation. This would provide an extension of policy analysis to include the ideas, values and beliefs of the various stakeholders in the governance process including the bureaucratic steering system, hence an opportunity to address *how* policy outcomes emerge, which is the purpose of this thesis. Such an approach goes well beyond the institutional and structural responses that tend to restrict analysis to the extent, if any, of structural change and resultant outcomes, the mainstream *why* approach. This is the opportunity a post-positivist approach allows the policy analyst. Again, the advantage is the opportunity to *demonstrate* rather than assume.

As Hawkesworth emphasises:

> The promise of post-positivist policy inquiry is also impressive for it offers a form of analysis that is more human and less heroic, more sophisticated and less deceived, more critical and less covetous of control, more tolerant of democracy and less committed to technocracy... In recognising the scope of human freedom, the expanse of the politically contestable and the legitimacy of collective determination of political ends, theoretically sophisticated

[191] F. Fischer, 'Beyond the Rationality project: Policy Analysis and the Postpositivist Challenge' *Policy Studies Journal* Vol. 17, No. 4, 1989, pp. 941-951.

> policy analysis affords a mode of assessment consonant with diversity and respectful of the irreducible plurality of human affairs. Confining its endeavours to the elucidation of the contentious, it promises explanations, predictions, and evaluations of policy options consistent with the conditions of human cognition and conducive to the cultivation of democracy.[192]

This allows a policy discourse analysis to be a pertinent tool in exploring the contemporary dynamics of public policy procesess in the modern liberal democratic state.

Policy Discourse & the Contemporary Dynamics of the Liberal Democratic State

In recent years, an emerging literature within policy process and analysis has attempted to critically assess our current understanding of how liberal democratic states respond to the three contemporary dynamics in which must operate: complexity, uncertainty and increased democratisation. This political discourse school[193] rejects positivist/rational models of policy making in which policy communities decide outcomes on the basis of logic and evidence. This is simply a false premise and a narrow explanation. As Stone argues in her critique of the 'rationality project' and her search for an analysis that reflected the contest over ideas within the polis:

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[192] M.E. Hawkesworth, *Theoretical Issues in Policy Analysis*, 1988, p. 194.

> I believe we are all political creatures, in our daily lives as well as in our governance, and I wanted to construct a mode of analysis that accepts politics as a creative and valuable feature of social existence...
>
> I wanted a kind of analysis that starts from a model of a political community, where individuals live in a web of dependencies, loyalties and associations, and where they envision and fight for a public interest as well as their individual interests...
>
> I wanted a kind of analysis that recognises analytical concepts themselves as political claims instead of granting them *privileged status as universal truths.*[194]

Policy discourse suggests that policy outcomes are often determined by strands of argumentation, persuasion, rhetoric, consultation and negotiation which may be more dialectical than rational in their structure, and more anecdotal than scientifically empirical in their bases. It follows that those actors who participate in policy debates are, fundamentally, moved not so much by facts and reason, as by 'unproven assumptions' and 'broad ideologies' or 'narrow belief systems'. Policy discourse analysis examines, and recognises the importance of the *contours* of policy debate as much as the outcomes. Indeed, its purpose is not just recognising these contours but highlighting them empirically. Such analysis suggests that contests of meaning - over ideas, values, principles, 'appropriate' institutional frameworks for policy processes -

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[193] See for example: R.B. Reich, *The Power of Public Ideas*, 1988; D.A. Stone, *Policy Paradox* 1997; F. Fischer, & J. Forester, (eds.) *The Argumentative Turn in Policy Analysis and Planning*, 1993.

[194] D.A. Stone, *Policy Paradox* 1997, pp. x-xi. (emphasis added)

constitute the *politics* of ideas, values, principles and policy making. Analysis of this 'contest' - the dynamic of the political process - *explain* public policy outcomes, and *how* they are arrived at.

Policy discourse refocuses on the importance of ideas, conceptualised in language and policy text, in a way that will advance both methodological approaches and theory as they relate to policy analysis. Here there is a linkage to the emerging focus on interpretive approaches to policy analysis, that focus on meaning. What does a policy mean? To whom, (aside from its drafter and implementors) does it have meaning? And how do various interpretations of meaning affect policy interpretation?[195]

Policy discourse does not attempt to offer solutions to what constitutes 'good policy', rather, it focuses on what is *problematic* in this case study, the conflict between competing ideas about what constitutes Ecologically Sustainable Development (ESD), and the subsequent outcomes that are derived from within the established governance processes, the institutional policy approaches adopted by the Australian liberal democratic state.

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[195] For further examples of interpretive approaches see: D. Yanow, 'The Communication of Policy Meanings: Implementation, interpretation and text' *Policy Sciences* Vol. 26, No. 1, 1993, pp. 41-61; D. Torgerson, 'Interpretive Policy Inquiry' *Policy Sciences,* Vol. 19, pp. 307-405; and 'Contextual orientation in policy analysis' *Policy Sciences* Vol. 18, pp. 241-261 and 'Between Knowledge and Politics' *Policy Sciences* Vol. 14, pp. 33-59. See also S. Swaffield, 'Contextual meanings in policy discourse: a case study of language use concerning resource policy in the New Zealand high country', *Policy Sciences,* Vol. 31, No 3, 1998, pp. 199-224.

As Hawkesworth forcefully argues:

> ...post-positivist theories offer policy analysts *no monopoly on truth.* Critical scrutiny of contending claims and careful analysis of theoretical commitments can eliminate error, distortion, mystification, misperception, misunderstanding, mistaken beliefs, fallacious arguments, and contentious propositions, but it cannot escape the conditions of human cognition.
>
> Instead of transcedent claims, post-positivist policy analysis derives its justificatory force from *its capacity to illuminate the contentious dimensions of policy questions, to explain the intractability of policy debates,* to demonstrate the deficiencies of alternative policy proposals, to identify the defects of supporting arguments, and to elucidate the political implications of contending prescriptions. In its systematic investigation of the contentious assumptions sustaining the constitution of perception, cognition, facticity, evidence, argument, explanations and options, post-positivist policy analysis can surpass positivist policy analysis *because more is examined and less is assumed.*[196]

It must be re-emphasised that this approach takes as *fundamental* the institutional frameworks and the governance process that evolves from systemic interaction. Policy discourse seeks to clarify the relationship between competing discourses and the institutional framework by refocusing on the essential 'political' component that is driving the process. In the specific case of environment policy - attempts to provide a public policy response to notions of ecologically sustainable development (ESD) -

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[196] M.E. Hawkesworth, *Theoretical Issues in Policy Analysis,* 1988, p. 191. (emphasis added)

this is particularly valuable given the exacerbated political conflict that arises from the clash between competing paradigms.

The Role of Ideas in Public Policy Analysis: re-emphasising the 'political'

At the theoretical level of public policy analysis there is a growing acceptance[197] of an approach that re-emphasises the 'political' nature of public policy debate. Reich, in an important contribution to this debate argues that what he calls the 'prevailing view of policy making' disregards the role of ideas and tends to overlook the importance of normative visions in shaping what citizens want and expect from government.[198] Democratic deliberation, he argues refines and alters such visions over time and mobilises public action around them. It raises a different set of arguments and questions to be considered by the public, and a different set of connections to be made to other issues and values lying at the perimeter of the debate.[199] This in turn generates a policy response or non-response from the state.

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[197] See in particular the work of: D.A. Stone, *Policy Paradox and Political Reason,* 1997; F. Fischer, *Technocracy and the Politics of Expertise,* 1990; M. E. Hawkesworth, *Theoretical Issues in Policy Analysis,* 1988; G. Majone, *Evidence, Argument and Persuasion in the Policy Process* ,Yale University Press, New Haven, 1989.

[198] R.B. Reich, (ed.) *The Power of Public Ideas,* 1988, Intro, p. 3.

[199] ibid. p. 139.

Kelman argues that competition between ideas that constitute political discourse is likely to lead to good policy decisions whereas a reliance on institutional mechanisms will tend to favour policies with certain institutional features that are more amenable to traditional rational policy development and process implementation, rather than policies that are chosen because of their inherent quality.[200] Good policy, he argues, is essentially derived from its constituent ideas. The relationship between those institutional mechanisms and the challenge of ideas is a central focus of this thesis.

Sabatier's 'policy oriented learning' approach emphasises the importance of policy communities/networks/subsystems involving a multitude of actors that give rise to substantive policy information, in order to move beyond a policy focus on institutional rules and behaviour.[201] He argues that such learning 'is the process of seeking to realise core policy beliefs until one confronts constraints or opportunities, at which time one attempts to respond to this new situation in a manner that is consistent with the core.'[202]

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[200] S. Kelman, 'Why Public Ideas Matter', in R.B. Reich (ed.) *The Power of Public Ideas*, 1988, p. 48.
[201] P.A. Sabatier, 'Towards Better Theories of the Policy Process', *PS: Political Science & Politics* , 1991, p. 147.
[202] P.A. Sabatier, 'Knowledge, Policy-oriented Learning and Policy Change', *Knowledge: Creation, Diffusion, Utilisation*, Vol. 8 No. 4, 1987, pp. 649-92.

Moore, in attempting to identify 'what sort of ideas become public ideas?' outlines the significance of ideas within the public policy process. He suggests that:

> It is one thing to observe that public actions are consistent with particular public ideas articulated by specific participants in the policy process. It is quite another to prove that the ideas are producing an independent effect on the public actions one observes. Indeed, the alternative hypothesis - that the particular ideas are nothing other than a smokescreen for the institutional and personal interests that are really animating and guiding action - has become quite familiar. [203]

Moore elaborates on the capacity of ideas to establish discourses and the importance of ideas within policy frameworks. He argues that:

> As part of the armament of political contests, ideas can unbalance and rebalance political forces as well as keep them in alignment. Even though ideas must connect to political forces to become powerful, they are not necessarily slaves of an existing political balance. They can become active agents in reshaping the politics of particular issues.[204]

Significantly, for the focus of this thesis, Moore argues that political conflict is often a telltale sign of an important neglected value, a grievance or an interest.[205] *How* political conflict is addressed by the liberal democratic state is a central theme of this thesis.

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[203] M.H. Moore, 'What Sort of Ideas Become Public Ideas?', in R.B. Reich (ed.) *The Power of Public Ideas*, 1988, p. 71.
[204] ibid. p. 78.
[205] ibid. p. 83.

As Yeatman argues, discursive practices both distribute power and constitute power.[206] Discourse then, is a dynamic process of interaction between individual subjectivity, social institutions and practices. The most powerful discourses are based in institutions such as the law, medicine, the church and the political system.[207] The power of resistant discourses to challenge the ideas and values of the dominant discourses depends on their accessibility at contested sites within discursive fields, such as represented by policy processes. Accessibility increases opportunities for stakeholders to adopt resistant positions, thereby increasing their social power and hence requiring a response to their demands from the liberal democratic state.

Again, it must be emphasised that this does not assume 'better' policy outcomes, nor should it be assumed, given the structural constraints of a liberal democratic state, that such accessibility will go unchallenged by the state. As Dryzek, quoting Elkin, is only too aware:

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[206] A. Yeatman, *Bureaucrats, Technocrats, Femocrats,* 1990, p. 160.
[207] C. Weedon, *Feminist Practice & Poststructural Theory, Oxford, Blackwell,* 1987. p. 109.

> If an excess of democracy threatens any of these activities, it is normally democracy that will give way. As Elkin puts it, 'a citizenry that is in full democratic cry (cannot) be accomodated for very long in a liberal democratic state'.[208]

Policy discourse provides an insight into the struggles that take place between competing discourses, such as environmentalism (NEP) and the dominant social paradigm (DSP). This method of analysis makes visible the sites of contestation and identifies the core ideas within competing discourses and how these ideas are constituted in specific contexts and case studies such as ESD. Policy discourse analysis focuses on the construction of the competing discourses within a policy process and how and to what extent, if at all, they are able to influence the policy process in terms of outcomes.

Discourse Analysis as a Methodology

Discourse analysis insists that the complex dialectical relationships between actors and their activity within institutional frameworks need to be *explored* and *explained* through an analysis of discursive practices that emerge within policy processes. The discursive practices are both framed and shaped by those institutional approaches. These in turn reveal the extent to which power *masks* itself, in the 'third dimensional' sense. Here its

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[208] S.L. Elkin, cited in Dryzek, *Democracy in Capitalist Times*, 1996, p. 37.

(power's) success is proportional to its ability to hide or mask its own mechanisms.

This is important in explanatory notes within policy studies and goes a long way to do what few have attempted and that is, provide a micro analysis of the *activity* in the 'black box' of policy making, rather than just assert that it exists – often referred to as 'politics' - and is at best often defined by the structural imperatives of the state. This is not to suggest that this structural analysis has no merit, indeed, it may be most pertinent. However, what is required is to *demonstrate* its merit, so that the analysis matches the complexity of the process itself. Policy discourse analysis assumes complexity because discursive contests both are about, and give rise to, political contests and conflict. Hence, its lens on the policy process allows for a more pertinent 'political' analysis in the sense that its analytical tools are broader in their search for meaning.

This argument needs to be drawn out a little. Pertinent policy analysis approaches to activity in the 'black box' would assert that it is 'here' that the dominant governance imperatives of liberal democratic states represents a narrow range of ideas and values that determine limits to activity and hence place 'conditions' around the capacity for change to occur.[209] These ideas and values are

[209] The work of Paul Sabatier is particularly relevant here in that his work on advocacy coalitions is specifically focused on the creation of conditions within the

essentially linked to the need to maintain economic growth; an increasing advocacy of market like mechanisms in the policy processes; and a commitment to processes that assist client choice. These ideas and values, as I have argued, are constituent elements of Stone's 'rationality project', closely linked, as she argues, to the 'market model'. Here, the structural impediments are *asserted* but little attempt is made to *demonstrate* the extent to which they manifest themselves. This demonstration *can* take place through an analysis of the policy discourses present or absent within/from the policy process and their impact at the agenda-setting phase. Again, the focus is on ideas as a *lens* on the contours of the public policy process. Recent developments within the field of public policy analysis have attempted to assist this process by re-emphasising how ideas shape meanings.

Any analysis of public policy processes that took place in the 1990s must recognise the complexity of the claims and pressures made against the liberal democratic state, together with a recognition of the structural restraints within those states. Those *pressures* and *restraints* have been articulated earlier in this thesis (see Chapter One).

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policy process for change to be effected and for policy learning to take place. See: P. A. Sabatier, 'Knowledge, Policy-Oriented Learning, and Policy Change: An Advocacy Coalition Framework, *'Knowledge: Creation, Diffusion, Utilisation* Vol.

Environmental policy represents both a complexity of claims and a substantial challenge to the legitimising dynamics of a liberal democratic state. A substantive analysis of the state's response to this challenge will need a methodology to match both the complexity of the claims, and the dynamics of the policy process, in order to follow the contours of 'change' or non-decision making within a highly contested discursive space occupied by a large number of stakeholders participating in the development of environmental policy.

Discourse analysis with its emphasis on language, the link of language to ideas and ideas to knowledge systems, subjectivity and meaning gives us a lens upon which to both note and measure change.

Foundations for a Discourse Analysis Methodology: Discourse, Ideology and Power

Discourse analysis has a long and successful record in linguistics as an important methodology that has assisted social scientists in recognising the importance of language. Political science has benefited from this linguistical analysis emphasing as it does the importance of rhetoric and metaphor, symbols and ambiguity in the 'language of politics'. Murray Edelman, in a series

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8, 1987, pp. 649-692. This is not to suggest, however that Sabatier endorses Dryzek's

of seminal works in this area, [*Symbolic Uses of Politics (1964), Political Language (1977)*] reinforces the proposition argued in this thesis: that it is through language, embodying ideas and values, that we experience politics. Edelman has argued succinctly that as policy makers control the language of policy making, the language chosen defines both the problem and the solution. This means that the definition of problems and policy language is often ambiguous. As a result, public policy often succeeds as a political device, rather than address substantive problems.[210] Discourse analysis of this type has added another layer of analysis to the research options of political scientists. However, there are few attempts to integrate the linguistic analysis to a social science framework.

Fairclough's Discourse Methodology

As suggested in the Chapter One this analysis utilises Fairclough's seminal work: *Discourse and Social Change (1992).* Fairclough's notion of discourse mirrors the work of Michel Foucault, referring to 'ways of structuring areas of knowledge and social practice'.[211] Fairclough establishes a three-dimensional concept of discourse and discourse analysis:

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hypothesis.
[210] M. Edelman, *Political Language* Academic Press, New York, 1977, & M. Edelman, *The Symbolic Uses of Politics,* University of Illinois Press, Urbana, 1964.
[211] N. Fairclough, *Discourse and Social Change* , 1992, p. 3.

> My [Fairclough's] concept of discourse and discourse analysis is three-dimensional. Any discursive 'event' (i.e. any instance of discourse) is seen as being simultaneously a piece of text, an instance of discursive practice, and an instance of social practice. The 'text' dimension attends to language analysis of texts. The 'discursive practice' dimension, like 'interaction' in the 'text-and-interaction' view of discourse, specifies the nature of the processes of text production and interpretation, for example which types of discourse (including 'discourse' in the socio-theoretical sense) are drawn upon and how are they combined. The 'social practice' dimension attends to issues of concern in social analysis such as the institutional and organisational circumstances of the discursive practice, and the constitutive/constructive effects of discourse referred to above.[212]

Fairclough's premise is that:

> Discourse is socially constructive, constituting social subjects, social relations, and systems of knowledge and belief, and the study of discourse focuses upon its constructive ideological effects.
>
> Discourse analysis is concerned not only with power relations in discourse, but also with *how* power relations and power struggles shape and transform the discourse practices of a society or institution.[213]

As such, Fairclough emphasises that his use of discourse analysis is a 'critical' mode:

> By 'critical' discourse analysis I mean discourse analysis which aims to systematically explore often opaque relationships of causality and determination between (a)

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[212] ibid. p. 4.

[213] ibid. p. 36. I accept the distinction between discourse as *process* and ideology as *effect*. For an excellent discussion of this debate see T. Purvis and A. Hunt, 'Discourse, ideology, discourse, ideology, discourse, ideology...' *British Journal of Sociology*, Vol. 44, No. 3, Sept 1993, pp. 473-499.

> discursive practices, events and texts, and (b) wider social and cultural structures, relations and processes; to investigate how social practices, events and texts arise out of and are ideologically shaped by the relations of power and struggles over power; and to explore how the capacity of these relationships between discourse and society is itself a factor securing power and hegemony.[214]

Opacity indicates that linkages between power, discourse and ideology may be unclear to those involved in, for example, policy processes. In the broader picture, causes and effects in social practices may not be at all apparent.[215] Fairclough goes to some length to emphasise the significance of the 'critical' component of his three dimensional application of discourse analysis. Fairclough reinforces the point:

> 'Critical' implies showing connections and causes which are hidden; it also implies intervention, for example, providing resources for those who may be disadvantaged through change. In this connection, it is important to avoid the image of discursive change as a unilinear, top-down process: there is a struggle over the structuring of texts and orders of discourse, and people may resist or appropriate changes from above, as well as merely go along with them.[216]

Fairclough's three dimensional view of discourse not only concurs and supports my framework but is reinforced by the observations of White, who argues that there are three types of

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[214] N. Fairclough, 'Critical discourse analysis and the marketization of public discourse: the universities', *Discourse and Society* Vol. 4, No. 2, 1993, p. 135.
[215] ibid.
[216] N. Fairclough, *Discourse and Social Change* , 1992, pp. 8-9.

discourse available to the policy analyst: *critical; persuasive and analytical.*[217] White begins by asserting that:

> The three perspectives have one view in common. All emphasise that there is a plurality of values and arguments available for thinking about any specific policy issue. Analysis, therefore, has to be part of a process in which these several points of view are taken into account or directly included in the analysis. In their own way, all three respond to the Kuhnian challenge by proposing a discourse among different views and theories. In some versions the discourse is formalised or institutionalized, in others it remains an open-ended process, but all emphasise that analysis and research have to be interpreted through some form of dialogue or interaction in order to offer a basis for policy advice.[218]

White manages to link *persuasive* discourse to the importance of ideas. This is particularly pertinent in an extensive and publically scrutinised process such as ESD. There are important linkages between persuasive discourse and established positions within the disciplines of political science and administration. White argues that:

> The term persuasive discourse suggests that ideas merchants - analysts and political leaders - promote and shape ideas but do so by sharing in a discourse with the public. Proponents stress that individual ideas and preferences cannot be easily defined as either self-interested or public-interested. Instead of trying to characterize preferences, the perspective asks *how* they are formed, and by extension *how* they can be changed.[219]

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[217] L.G. White, 'Policy Analysis as Discourse', *Journal of Policy Analysis and Management* Vol. 13, No. 3, 1994.
[218] ibid. pp. 507-508.
[219] ibid. p. 516 (emphasis added)

White clearly has a preference for Stone's *polis* as a model of decision-making and analysis. As she explains, two themes occur:

> First, people frequently are not clear about the content of their interests. They use ideas and new information to interpret their preferences and frequently revise them as they receive new information and as they experience the results of past decisions. Second, they are influenced by the situation. Instead of pursuing a rationally defined self-interest, individuals typically want to do what is appropriate and fitting to their circumstances. Preferences are largely shaped by immediate experiences and a fairly narrow set of circumstances. Constrained by bounded rationality, preferences can be either self-interested or public-oriented or both. The important point is that they are formed out of one's immediate situation, and persuasive discourse has to address this situation.[220]

Drawing on the work of Schattschneider, and Heclo, White concludes that:

> The lesson is that political conflict is less about negotiating clear interests and more about framing policy issues. Ideas in the form of problem definitions become an important strategy in mobilising new groups into the process, as Schattschneider suggested years ago.[221]

In addition:

> The point, concludes Heclo, is that change is determined by the interaction among ideas, interests, and institutions, rather than by any one of these alone. Just as ideas can shape what our interests mean to us, 'political institutions can also

[220] ibid.
[221] ibid.

provide the means for changing ideas about our interests and our preferences'. [222]

This point introduces the importance of how policy problems are 'framed'. The analysis of the ESD process invites consideration of these processes. I adopt Stone's view that *strategic representation* is the basis of problem definition. Other theorists are quick to recognise the significance of 'framing' within the public policy process and its links to discourse. Hajer constructs the notion of 'discourse coalition' and observes that:

> Obviously, this process of constructing, or framing, political problems is a highly significant element of the political process. Actors try to impose their views of reality on others, sometimes through debate and persuasion, but also through manipulation and the exercise of power. [223]

For Hajer:

> Discourse...is defined as an ensemble of ideas, concepts, and categories through which meaning is given to phenomena. Discourses frame certain problems: that is to say, they distinguish some aspects of a situation rather than others. The ideas, concepts, and categories that constitute a discourse can vary in character: they can be normative or analytic convictions; they can be based on historical references; they can reflect myths about nature. As such, discourse provides the tools with which problems are constructed. Discourse at the same time forms the context in which phenomena are understood and thus predetermines the definition of the

[222] ibid. p. 517.
[223] M.A. Hajer, 'Discourse Coalitions and the Institutionalization of Practice: The Case of Acid Rain in Great Britain', in Fischer and Forester *Argumentative Turn in Policy Analysis,* 1993, p. 45.

problem. Discourse structuration occurs when a discourse starts to dominate the way a society conceptualises the world.[224]

Rein and Schön in their use of 'framing' emphasise the notion of context and how it might influence notions of 'framing', especially if there is a 'shift' in context, where actors need to be flexible to respond if not necessarily to adjust their position. Rein and Schön explain:

> When some feature of a nested context shifts, participants may discover that the repetition of a successful formulae no longer works. Then the perceived shift of context may set the climate within which adversarial networks try to reframe a policy issue by renaming the policy terrain, reconstructing interpretations of how things got to be as they are, and proposing what may be done about them.[225]

Furthermore, Rein and Schön emphasise the linkages within a discursive public policy framework and the role of institutions and institutional bedding. They argue that:

> ...the macro context includes changes in the directions of policy, changes in the institutions designed to carry out policy, realignment of party politics, and economic fluctuations. Shifts in the macro context do not necessarily set the conditions for policy reframing. Thus the rhetoric of disagreement may suggest a major reframing of policy while practice displays remarkable continuity.[226]

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[224] ibid. pp. 44-45.
[225] M. Rein & D. Schön, 'Reframing Policy Discourse', in Fischer and Forester, *Argumentative Turn in Policy Analysis*, 1993, p. 154.
[226] ibid. pp. 154-155.

Finally, Rein and Schön make the point that:

> ...institutional embedding is important to the nature of discourse in several ways. The institutional context may carry its own characteristic perspectives and ways of framing issues, or it may offer particular roles, channels and norms for discussion and debate. And discourse tends to conform to the norms of the institutions in which it is embedded.[227]

All these contributions would support Fairclough's adoption of Foucault's position that discourse is *constitutive.* This entails that discourse is in an active relation to reality, that *language* signifies reality in the sense of constructing meanings for it. This runs counter to the view that discourse is in a passive relation to reality, with language merely referring to objects which are taken to be given in reality. Stone takes up this point in her criticism of the rational analytical models that dominate policy analysis:

> In the polis, the way language affects people is undeniably a valid part of human experience. We think with and through language. To exclude the way words influence people's evaluation of the world as mere error or a distortion of some objective reality is a strange conceit of rational analytic models. The conceit is more than silly. It is also antidemocratic. It denigrates the responses and opinions of ordinary people and elevates as "correct" or "objective" the evaluations performed by expert analysts. Moreover, to exclude this aspect of decision making is to miss (or perhaps disguise) a major aspect of politics - the way metaphors and analogies are used to control people's evaluations of policy alternatives.[228]

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[227] ibid. p. 156.
[228] D.A. Stone, *Policy Paradox,* 1997, pp. 249-250.

The relationship between language and reality has been generally presupposed within linguistics and approaches to discourse analysis based within linguistics. This allows theory to become a grounded methodology.

Importantly, for the efficacy of a methodological 'lens', Fairclough draws on Foucault's argument that a discursive formation constitutes objects in ways which are highly *constrained,* where the constraints on what happens 'inside' a discursive formation are a function of the interdiscursive relations between discursive formations, and the relations between discursive and non-discursive practices that make up that discursive formation.[229] This is fundamental to Foucault's discussion of governmentality, particularly as it relates to notions of *positive* power, as distinct from negative power. It also emphasises the contextual nature of that power, broadening its effect.

For Foucault, power is implicit within everyday social practices which are pervasively distributed at every level in all domains of social life, and are constantly engaged in. Moreover, it:

> is tolerable only on condition that it *masks a substantial part of itself.* Its success is proportional to its ability to *hide its own mechanisms.*[230]

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[229] N. Fairclough, *Discourse and Social Change,* 1992, pp. 42-43.
[230] M. Foucault, cited in Fairclough, *Discourse and Social Change,* 1992, p. 50 (emphasis added)

Power does not work negatively by forcefully dominating those who are subject to it; it incorporates them, and is 'productive' in the sense that it *shapes* and 'retools' them to fit in with its needs. This runs counter to the view of power as a negative, where A has the capacity to influence B to do something that they wouldn't normally do. It also highlights the limits of this 'one dimensional' view of power.[231]

Foucault explores various procedures through which discursive practices are socially controlled and constrained:

> in every society, the production of discourse is at once controlled, selected, organized and redistributed by a certain number of procedures whose role it is to ward off its powers and dangers, to gain mastery over its chance events, to evade its ponderous, formidable, materiality.[232]

Within the ESD policy process it is the production, control, selection and organisation of the discourses around and within ESD, shaped by the state its procedures and its structural constraints that is the central focus for research. This, as Foucault suggests, is quite a contest. A significant emphasis in Foucault's analysis is upon the power struggle over the determination of discursive practices:

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[231] This is, of course, a reference used by Lukes to Robert Dahl's early concept of power. See Lukes, *Power: A Radical View*, 1974, pp. 11-12.
[232] M. Foucault, cited in Fairclough, *Discourse and Social Change*, 1992,p. 51.

> Discourse is not simply that which translates struggles or systems of domination, but is the thing for which and by which there is struggle, discourse is the power which is to be seized.[233]

To shape the discourse on ESD is to exert power in a positive manner. The discourse on ESD that emerges throughout the discursive struggle within the process is illustrative of the power struggle within the process. The language of the policy statements that emerge are illustrative of the discursive victories that emerge as a consequence of discourses being *accepted, endorsed, incorporated* or *excluded.* A methodology that exposes this is useful in complex policy processes.

Methodology and usefulness

Fairclough raises important issues of causality here: to what extent do discursive changes constitute wider social or cultural changes, as opposed to merely 'reflecting' them? And how far, therefore, can wider processes of change be researched through analysis of changing discursive practices? There is also the question of how widespread and how effective are conscious efforts by institutional agents to engineer changes in discursive practices. For example, Fairclough points to the 'technologization of discourse'.

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[233] ibid.

Specifically, Fairclough raises issues that are central to focus of this thesis: what is it that *determines* the cumulative outcomes of practice in particular social domains or institutions, and differences between them in *reproductive as opposed to transformative tendencies of discourse?* More importantly, how can we view that process within a particular domain of practice: environmental policy?

Fairclough recognises the explanatory link between discourse analysis and explanations of change within public policy processes. To quote, Fairclough:

> While I accept that both 'objects' and social subjects are shaped by discursive practices, I would wish to insist that these practices are constrained by the fact that they inevitably take place within a constituted, material reality, with preconstituted 'objects' and preconstituted social subjects. The constitutive processes of discourse ought therefore to be seen in terms of a dialectic, in which the impact of discursive practice depends upon how it interacts with the preconstituted reality. With respect to 'objects', it is perhaps helpful to use both the terms 'referring' and 'signifying': discourse includes reference to preconstituted objects, as well as the creative and constitutive signification of objects... [234]

He further suggests that:

> the process of constituting subjects always takes place within particular forms of interaction between preconstituted subjects, where the forms of interaction influence the constitutive process. It also suggests that constituted social

[234] N. Fairclough, *Discourse and Social Change*, 1992, p. 60.

> subjects are not merely passively positioned but are capable of acting as agents, and amongst other things of negotiating their relationship with the multifarious types of discourse they are drawn into.[235]

It is the outcome of these 'negotiations' that is of interest to researchers in policy studies. For example, 'negotiations' may range from debates over what constitutes a 'problem' within environmental policy, through to the highly contestable discursive interactions that take place over notions of what constitutes Ecologically Sustainable Development.

How these outcomes are determined is in turn dependent on the constituent discourses actors take with them *into* the process and what changes/reaction occur within the discursive practices that are generated *by* the process. For example, what degree of acceptance is given by industry to notions of Ecologically Sustainable Development and how do environment groups adopt/reject market like instruments within policy responses to environmental policy problems suggested by the state? To what degree are the agents of the state, the bureaucratic steering systems, able to accept, adopt and support or reject the various discursive positions and interaction that emerge within the process?

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[235] ibid. p. 61.

By focusing on the discursive nature of this interaction we can determine the degree to which the 'argumentative turn' in policy processes provides a means for change or a reason to resist the discourse(s) of other actors within the process.

The emphasis here is on the capacity of discourse analysis to focus on the *dialectical nature* of this discursive interaction and the impact of the institutional framework in which this interaction takes place. The institutional framework has its own distinctive discourse - rules, procedures, language itself, and 'rules' of admissibility over evidence. This discourse, in the important sense that it frames the discursive practices adopted within the ESD policy process, reflects historical precedents with strong links to the *status quo*, in the sense that the language, rules and procedures emerging over time have been seen to be 'operative' for the bureaucratic steering system acting as agents of the state. This is likely to be a very alien terrain for environmental activists, community leaders and consumer groups, who in this sense, represent the 'resistant' discourse. Their political power is demonstrated at the 'sites' of political challenge – forest protests, anti-nuclear demonstrations, occupying oil rigs – where through the media they are able to attract public attention and draw a political response. The corridors of parliament, bureaucracy and 'round tables' are not their preferred site of engagement with the policy processes. The transfer of the political contest from one site to another is often a decisive strategy,

adopted by the state, with the institutionalisation of political conflict.

As Fairclough emphasises, discourse as a political practice establishes, sustains and changes power relations, and the collective entities (he refer to classes, blocs, communities, groups) between which power relations obtain. Discourse as an ideological practice constitutes, naturalises, sustains and changes significations of the world from diverse positions in power relations. As this wording implies, political practice is the superordinate category. Furthermore, as Fairclough asserts, discourse as a political practice is not only a site of power struggle, but also a stake in power struggle:

> discursive practice draws upon conventions which naturalize particular power relations and ideologies, and these conventions themselves, and the ways in which they are articulated, are a focus of struggle.[236]

Rather than particular types of discourse having inherent political or ideological values, Fairclough argues that different types of discourse in different social domains or institutional settings may come to be politically or ideologically 'invested' in particular ways.[237] This emphasises the dialectical relationship between discourse and ideology, the *process* and *effect* dichotomy. Within

policy processes the 'process'/'effect' dichotomy is masked by the discursive nature of the process itself. How discourses are *masked* within the process is of central concern to this research.

The masking of power is central to Foucault's notion of governmentality. Fairclough argues, however, that in so producing their world, actors' practices are shaped in ways of which they are usually *unaware* by social structures, relations of power, and the nature of the social practice they are engaged in whose stakes always go beyond producing meanings. Thus their procedures and practices may be politically and ideologically invested, and they may be positioned as subjects (and 'actors') by them. He also argues that actors' practice has outcomes and effects upon social structures, social relations, and social struggles around them, of which again they are usually unaware. This view, as previously mentioned, is supported by Luke's second and third dimension of power. Finally, he suggests that the procedures which actors/stakeholders use are themselves heterogeneous and contradictory, and contested in struggles which partly have a discursive nature.

This has a profound political implication and takes the form of a not too subtle, nor very often examined premise within a policy process. Within processes that expose the discursive nature of the

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[236] ibid. p. 67.
[237] ibid.

'contest over ideas' it is *assumed* that stakeholders are capable or would want to adjust their 'discursive position' within the process in accord with the dynamic of the process. Yeatman and Sabatier have some ideas on the nature and impetus for change with the latter outlining a set of hypotheses that indicate the conditions under which this change may occur. Neither, however, pay sufficient attention to discursive closure as a salient feature of the 'green' resistant discourse.

In policy processes that are set up, as was ESD, in the hope of establishing some consensus, discursive closure, can be a stumbling block in limiting consensus but also limiting the capacity to reach compromise on matters that are considered to be questions of 'principle'.[238] Discursive closure also has the often unintended consequence of reinforcing the *status quo*. As we shall see, discursive closure in the ESD process, had the effect of limiting the environmental discourse to one that essentially endorsed the position of the peak-body environmental groups, particularly, the Australian Conservation Foundation (ACF). This in turn, had the effect that other, more radical discourses were either absent from the process, sometimes by choice, or were simply de-legitimised by the sanctioning of peak-bodies as 'representatives' under this

[238] My own observations from the 'field' indicated that at points of discourse closure, what were once, 'mere interests' are suddenly elevated to a 'matter of high principle'. An important aspect of 'strategic representation.'

essentially corporatist structure, as outlined by McEachern and Downes (See Chapter Five).

Fairclough also reinforces the argument put forward in this thesis as to the importance of a meso approach. He emphasises that analysis of discursive practice should involve a combination of what one might call 'micro-analysis' and 'macro-analysis'. Micro analysis must be complemented with macro-analysis in order to know the nature of the actors' resources that is being drawn upon in order to produce and interpret texts, and whether it is being drawn upon in normative or creative ways. It is this aspect of discursive processes - determining what aspect of an actors' discourse, its constitutive resources, are being drawn upon and how - that is of most interest. It is the nature of the social practice that determines the macro-processes of discursive practice, and it is the micro-processes that shape the text. In this sense, the micro-processes constitute a form of ideology.

Ideology

Fairclough makes three important claims about ideology. First, the claim that it has a material existence in the practices of institutions, which opens up the way to investigating discursive practices as material forms of ideology. This, in this case study, might refer to the procedures and rules of the institutionalised

public policy process. Second, the claim that ideology 'interpellates subjects', which leads to the view that one of the more significant 'ideological effects' which linguists ignore in discourse is the constitution of subjects. In other words, actors adopt discursive positions as *subject positions,* that give meaning to their lives. Third, the claim that 'ideological state apparatuses' are both sites of and stakes in struggle, which points to struggle in and over discourse as a focus for an ideologically-oriented discourse analysis.[239] Again there is discourse (process) and ideology (effect), but the significance within the policy process is to identify the dialectic between these modes within that process and identify what the outcome is in terms of strategic problem definition.

Actors/stakeholders within the policy process are ideologically positioned, but they are also capable of acting creatively to make their own connections between the diverse practices and ideologies to which they are exposed, and to restructure positioning practices and structures. The balance between the subject as ideological 'effect', and the subject as active agent, is variable depending upon social conditions such as the relative stability of relations of domination. Here, the issue of political leadership becomes a crucial factor in any policy process, where commitment to addressing policy goals can change

[239] N. Fairclough, *Discourse and Social Change,* 1992, p. 87.

dramatically, as reflected in alterations to the normative framework.[240] One of the ways to explain this outcome is to link up discourse analysis and power with notions of hegemony.

Hegemony

As Fairclough argues, the concept of hegemony harmonises with the view of discourse he advocates, and provides a way of theorizing change in relation to the evolution of power relations which allows a particular focus upon discursive change, but at the same time a way of seeing it *as contributing to* and *being shaped by* wider processes of change.[241] In adopting this Gramscian view of power, Fairclough argues that the 'cruder' structuralist determinism of Foucault' s version of power is somewhat one-sided, focusing only on the capacity of those who have power, to maintain it. Fairclough argues that:

> The Gramscian conceptualisation of power in terms of hegemony is superior to Foucault's conception of power in that it avoids such imbalances. In this approach, hegemony is conceived as an *unstable equilibrium built upon alliances* and the generation of consent from sub-ordinate classes and groups, whose instabilities are the constant focus of struggles. Foucault's neglect of practice and of detailed mechanisms of change goes along with a neglect of struggle, other than

[240] As will be argued later in the thesis, this crucial issue of political leadership impacted dramatically on the ESD process, when at the end of 1991, Paul Keating, became Prime Minister and the normative framework shifted towards the economy and growth as distinct from the normative agenda of ESD, integration of environmental and economic goals.

[241] N. Fairclough, *Discourse and Social Change*, 1992, pp. 91-92.

> modes of 'resistance' which are assumed not to have the capacity to fundamentally transform structures.[242]

Here it is important to align Fairclough's language of 'subordinate classes and groups' to the resistant discourse of environmentalism. Moreover, this perspective on power, emphasises the importance of looking at environmental policy not just as an isolated policy perspective but within the broader or major policy parameters of which is has to operate - in Australia's case, the historical context of policy approaches to resource management; macro-and micro-economic reform agenda of the 1980s and 1990s, together with the institutional arrangements within which the policy process operates and develops, all of which impacted dramatically on the manufacturing industry sector in Australia (see Chapter Seven).

For Fairclough hegemony is *leadership* as much as domination across the economic, political, cultural and ideological domains of a society. Hegemony is the power over society as a whole of one of the fundamental economically-defined classes/stakeholders in alliance with other social forces, but it is never achieved more than partially and temporarily, as an 'unstable equilibrium'. This is critically important in understanding the nature of liberal democratic governance

[242] ibid. p. 58. (emphasis added)

processes. Hegemony is about constructing alliances, and integrating rather than simply dominating resistant discourses, through concessions or through ideological means, to win their consent. Hegemony is a focus of constant struggle around points of greatest instability between classes/stakeholders, to construct or sustain or fracture alliances and relations of domination/subordination, which takes economic, political and ideological forms.[243]

This view of hegemony, not as a dominating ideology but as *unstable equilibrium* accords with Stone's view of problem definition in the policy process being about the *strategic representation* of situations. Here, strategy is action, intentional and unintentional consequence with motivation oriented to a specific task. Strategy involves the selection of objectives and the search for the most appropriate means to achieve those objectives within a particular context at a particular moment in time.

In the case of liberal democratic states, the 'objectives' are the maintenance of the legitimising tasks as outlined by Dryzek. But it is important to emphasise the link between hegemony and strategy in the sense that appropriate strategies change with time. The ability to formulate strategy is a condition of all action that is present

[243] ibid. p. 92.

within the public policy process which provides an intuitive recognition as to why, some strategies are *symbolic.*

Fairclough's use of hegemony is also consistent with Stone's argument that symbolic representation and the consequential ambiguity is the essence of problem definition in the polis.[244] This is pivotal to both and an explanation and analysis of the ESD process. As Fairclough emphasises, a conception of hegemonic struggle in terms of the articulation, disarticulation and rearticulation of elements is in harmony with what he claims earlier about discourse: the dialectical view of the relationship between discursive structures and events; seeing discursive structures as orders of discourse conceived as more or less unstable configurations of elements; and adopting a view of texts which centres upon their intertextuality and how they articulate prior texts and conventions. This order of discourse provides the methodological link for a policy discourse analysis. As Fairclough asserts:

> An order of discourse can be seen as the discursive facet of the contradictory and unstable equilibrium which constitutes a hegemony, and the articulation and rearticulation of orders of discourse is correspondingly one stake in hegemonic struggle. Further, discursive practice, the production, distribution, and consumption (including interpretation) of texts, is a facet of hegemonic struggle which contributes in varying degrees to the reproduction or transformation not only of the existing order of discourse (for example, through

[244] D.A. Stone, *Policy Paradox,* 1997, pp. 106-108.

> the ways prior texts and conventions are articulated in text production), but also through that of existing social and power relations.[245]

In other words, hegemony provides both a model and a matrix for discourse analysis, especially when the research question focuses on *how* the liberal democratic state responds to increased uncertainty, complexity and demands for increased democratisation, predicated by the challenge of environmentalism.

Fairclough argues that although hegemony would seem to be the predominant organizational form of power in contemporary society, it is not the only one.[246] Fairclough suggests that there are also the remains of a previously more salient form in which domination is achieved by an 'uncompromising imposition of rules, norms and conventions.' This seems to correspond to a *'code model'* of discourse, which sees discourse in terms of the instantiation of codes with 'strong framing and classification and a highly regimented, normative practice'[247] – for example, the reliance on 'science' within a technological expertise discourse. It contrasts with what might be called the 'articulation' model of discourse described above, which corresponds to a hegemonic organisational form. Code models are highly institution-oriented,

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[245] N. Fairclough, *Discourse and Social Change*, 1992, p. 93.
[246] ibid. p. 94.
[247] ibid. pp. 94-95.

whereas articulation models are more client/public-oriented.[248] In the case of ESD, the influence of one or other form of discourse code models within and outside the process is linked in particular to leadership changes and decision-making patterns within government, particularly the emphasis on participation and consensus decision-making, juxtaposed with a series of rules and procedures.

It also relates to the impact that institutional settings - that determine the 'site' of contestation within policy process such as ESD - will have on discursive formation and the degree of shift and change; compromise and negotiation; resistance and closure it might evoke. For example, institutional settings can provoke a degree of intimidation through the adoption and advocacy of formalised policy processes. For activists, citizens and consumers, not used to having to 'comply' with a range of procedures and rules this can be intimidating, especially when they are often, as was the case with ESD, 'imposed' in the sense of being determined to be appropriate, by the bureaucratic steering systems representing the state and hence designing the process. This constitutes an example of Fairclough's code models of discourse that emerge from the adoption of rules, norms and conventions that form orders of discourse.

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[248] ibid.

ESD as Discourse

Orders of discourse give substance to the concept of the political investment of discourse practices, and, since hegemonies have ideological dimensions, a way of assessing the ideological investment of discourse practices. This can be seen in terms of policy goals and perhaps more significantly in agenda setting and implementation where, in this case study, the ESD process moves into a Federal political system, exposed again to a transient range of differential ideological effects – decentralisation versus devolution; competition versus protection; market versus the polis; 'state's rights' versus 'national interest', not necessarily present in the immediate discursive subject matter, Ecologically Sustainable Development.

Fairclough argues that in so far as a particular tendency of discursive change 'catches on' and becomes solidified into an emergent new convention, for example Ecologically Sustainable Development (ESD), what at first are perceived by stakeholders as stylistically contradictory policy documents in the light of their own discursive position, come to lose their patchwork effect and be 'seamless'. Ambiguity and symbolism attached to the new convention assists this development. Such a process of 'naturalisation' is essential to establishing new hegemonies in the

sphere of discourse.[249] As stakeholders combine discursive conventions codes and elements in new ways in innovatory discursive events, they are of course cumulatively producing structural changes in orders of discourse: they are disarticulating exisiting orders of discourse, and rearticulating new orders of discourse, new discursive hegemonies of which ESD is a good example.

In summary, this Chapter argues that liberal democratic political systems face complexity and a number of constraints (Dryzek) in responding to political challenges, such as environmentalism. This policy context can best be described as a discursive battle between ideas. One of the conceptual tools of analysis applied to this discursive battle is suggested by Stone – a battle between the 'rationality project' and the 'polis', as opposing sets of ideas or discourses.

In order to address the question of *how* liberal democratic political systems respond to political challenges discourse analysis is applied to the policy process. This allows a focus on the struggle over ideas present in the policy process. Discourse analysis allows for a analytical lens to be placed over this discursive battle and hence unmasks the process.

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[249] By naturalisation I mean in a very Foucauldian sense but also within the context of Stone's analysis I link this notion to the capacities that she attributes to

This Chapter argues that due to the complexity and constraints present in the policy process, ideas are therefore presented in a strategic way in order to create alliances within the policy process. Such alliances are formed and presented in an ambiguous way, giving rise to a number of strategic advantages to proponents within the policy process. Such ambiguity does not however, necessarily settle political conflict.

Discourse analysis highlights the significance of language, conceptualising ideas and the institutionalisation of ideas within the policy process. Issues are framed in a particular language or discourse. Such a discourse frames agenda setting and problem definition in the policy process. This helps us understand the policy process. An analysis of these often competing discourses allows for an understanding of which particular set of ideas frame the policy outcomes. This methodology develops an additional layer of policy analysis that is more pertinent to complex policy processes because it *demonstrates* what is often asserted or assumed within other methodologies or theoretical constructs.

As such, discourse analysis allows Dryzek's hypotheses to be tested and in turn address the question of *how* liberal democratic

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ambiguity (see earlier in this Chapter).

states respond to the challenge of environmentalism. Discourse analysis *demonstrates* which ideas are embodies, incorporated or rejected within the policy process, in this case, ESD in Australia. Ideas have real power once they have been institutionalised within legitimate public policy processes. Often this institutionalisation masks the power of those ideas to frame outcomes. Discourse analysis examines the contest between competing ideas. It provides not only an explanation of public policy outcomes but a demonstration of *how* they are arrived at.

This Chapter argues that public policy outcomes are often political devices – symbolic, ambiguous devices – rather than processes designed to provide substantive outcomes. This result accords with Stone's argument that the 'polis' rather than the 'rationality project' is a more appropriate conceptual framework for understanding *how* the policy process works.

The following Chapter is a chronology that outlines the evolution of the ESD process in Australia and, as such, provides the policy context for the discursive contest that both evolved within and, in turn, constituted the ESD process. Political action and policy development prior to the establishment of the ESD process in the area of environmental policy making in Australia are significant in

determining a series of discursive and non-discursive practices that both inform and determine this analysis of ESD. As such, the 'search' for ESD in Australia is as pivotal as the formalised process itself.

Chapter Four
The Search for Sustainable Development in Australia

Introduction

As outlined in Chapter One, Australia's search for a sustainable development policy framework grew out of the dramatic political contests surrounding environmental policy in the 1980s. The extent of political conflict necessitated a policy rethink as such conflict had the potential to undermine the larger macro and micro economic reform agenda that had become pivotal to the Hawke government's reform agenda.

Pivotal to this change in policy direction –from the *ad hoc*, incremental responses of the 1970s – 1980s to a more proactive, integrated response - was the 'failure' of the Wesley Vale Pulp mill proposal, in northern Tasmania. The 'failure' of this project was the impetus for government to look for a policy framework that would institutionalise the levels of political conflict associated with resource management issues. ESD was to be that suitable policy framework.

This Chapter will provide a brief summary of the Wesley Vale conflict. It will outline the ESD policy process and concurrent

policy development. Finally, it will examine the policy objectives and recommendations contained within the National Strategy for Ecologically Sustainable Development (NSESD) against a range of policy constructs – symbolic, ambiguous and substantive - that derive from Stone's analysis of the discursive contest present in liberal democratic policy processes, between the *polis* and the market.

The Wesley Vale Pulp Mill Project and the Institutionalisation of Political Conflict

In 1987, Australian Associated Pulp and Paper Makers (APPM), a subsidiary of North Broken Hill (NBH) announced that it was their intention to establish, in a partnership arrangement, a $1 billion pulp and paper mill alongside their existing Wesley Vale operation. Export revenue was expected to be in excess of $280 million a year and employment numbers were in the vicinity of 300-400 permanent jobs.[250] For a depressed, small sub-national peripheral regional economy like Tasmania's this was a project to dream about. For the Commonwealth government it seemed ideal. It was to be an internationally competitive, down-stream processing, exporting industrial complex that would make a

[250] R.J.K. Chapman, *Setting Agendas and Defining Problems - The Wesley Vale Pulp Mill Proposal,* Centre for Applied Social Research, Deakin University, Geelong, Victoria, 1992. For an excellent coverage of this dispute, see: N. Economou, 'Problems in Environmental Policy Creation: Tasmania's Wesley Vale Pulp Mill

substantial contribution to a deteriorating balance of payments situation. Commonwealth Environment Minister, Graham Richardson's response to the Cabinet discussion over the Wesley Vale project is a clear indicator of the position adopted by government:

> Now I remember the Wesley Vale pulp mill; the first time it came up in Cabinet we voted to give all sorts of money to the project to get it off the ground. We were offering money, we were throwing millions at it. At that time, of course, there had been no environmental investigation of it at all. No one in the government was particularly interested in that. This was a billion dollar development. A billion dollars is a very impressive figure in Cabinet.[251]

History, of course, indicates that environmental issues were to play a pivotal role in the undermining of the project, drawn out by Commonwealth-State tensions over environmental guidelines, a state government often seen to be captured by the proponents,[252] and an articulate and well organised grass roots activist opposition. In short, the EIS prepared by the proponents was inadequate and was heavily criticised not only by the State government agencies but particularly by the Commonwealth departments. The Commonwealth Department of Primary Industry indicated that the

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Dispute', in K.J. Walker, (ed.) *Australian Environmental Policy,* University of New South Wales Press, Sydney, 1992 pp. 41-57.

[251] G. Richardson, 'Where there is a Will there is a Way', *Canberra Bulletin of Public Administration,* Vol. 62, 1990, p. 14.

[252] At a crucial point in negotiations between the Tasmanian government and the proponents a press release on behalf of the government embarrassingly appeared on NBH letter-head.

EIS was 'grossly inadequate, factually incorrect or distorted',[253] and the Commonwealth Scientific & Industrial Research Organisation (CSIRO) had a series of concerns. The Commonwealth made it clear to the Tasmanian government that it would not allow the guidelines to be watered down to suit the requirements of the proponents.

Given that NBH had a joint venture partner - Canadian resource development company, Noranda - this meant that the Commonwealth was unlikely to give the necessary Foreign Investment Review Board (FIRB) approval.[254] Because of this uncertainty, the proponents walked away from the project, leaving both State and Commonwealth governments bewildered by the outcome.

In short, the largest industrial project in the southern hemisphere was lost due to political conflict. It sent all the wrong messages to the very stakeholders the Commonwealth government were trying to engage through its micro and macro economic reform approach. On being returned to government after the 1990 Federal election, the Labor Party, under Prime Minister Hawke, set about establishing a co-ordinated, proactive response to environment policy that had as its focus the institutionalisation of

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[253] Quoted in R.J.K. Chapman, *Setting Agendas and Defining Problems - The Wesley Vale Pulp Mill Proposal*, 1992, p. 45.

political conflict. The legitimising task of maintaining a 'stable' policy response was under attack. Ecologically Sustainable Development (ESD) was to be the principal policy process that attempted to address this legitimacy deficit.

The Emergence of Ecologically Sustainable Development (ESD)

Largely as a result of the Wesley Vale policy debacle, in the immediate period following the loss of the project, resource management and environmental policy formation was driven by political imperatives: reduce the number of bitter disputes over particular projects; increase business certainty; and, reduce the demands on the Commonwealth to reverse decisions, or intervene in such disputes. In other words, re-establish the legitmising imperatives of promoting policy stability, the second of Dryzek's imperatives.

ESD emerged from a series of attempts by government to institutionalise the political conflict surrounding environmental/developmental decision-making which flowed from the conflicting paradigmatic positions adopted by stakeholders represented as 'ideal types' within Chapter Two (see Table 3), the DSP and the NEP.

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[254] ibid.

ESD was seen to be a process that would channel diverse viewpoints into a negotiating forum; where broad objectives could be agreed; and a sense of shared responsibility for outcomes could be encouraged. This would occur through the acceptance of agreed frameworks and processes. The government anointed selected stakeholders by inviting them to participate in the process, but the political legitimacy was conferred by the policy approaches adopted by the state as it responded to political conflict and the legitimacy challenge such a conflict provoked. Within this policy framework, environmental considerations had to be integrated with plans for economic development on the basis that *integration would promote economic and productive efficiency.* This established the link to the larger economic reform agenda. It also established an important cause and effect imperative especially in relation to policy goals and priorities. Here the language of the proposed linkage – the nexus between integration and improved economic outcomes – is significant and indicative. ESD was not intended to prioritise or privilege the discourse of the New Environmental Paradigm.

ESD does however, represent a significant shift by government in its policy approach to the institutionalisation of environmental conflict. A focus on the potential integration of conflict within an institutionalised policy process was a recognition

that other institutional approaches, such as the establishment of the Resource Assessment Commission (RAC), as an independent umpire capable of providing policy advice to government over contestable resource management issues, such as Coronation Hill and forestry management issues, had considerable limitations and gave conflicting messages to stakeholders.[255] For example, in the case of Coronation Hill, the mining company clearly felt that the RAC recommendation would form the basis for policy decision-making. This was an ill-informed but nevertheless, justifiable assumption based on an analysis of the process grounded in the company's focus on a 'technical-rational' view of the process. The company ignored both the extent and the political nature of the conflict and as a result didn't anticipate that politics would dominate the decision-making process. As a consequence they were bemused to find the RAC presenting the government with three options and clearly alarmed when the Hawke government decided to choose the highly visible political option of protecting Aboriginal cultural rights, in refusing the mining application.[256] One of the other recommendations had been to allow mining to go ahead within an established set of limitations that took into account

[255] For a discussion of these issues, particularly the mining sector see: N. Economou, 'Accordism and the Environment: the Resource Assessment Commission and National Environmental Policy-Making', *Australian Journal of Political Science,* vol. 28, no. 3, November, 1993, pp. 399-412 and L. Young, 'Rhetoric and Strategy: Australian Mining and the Conflict over Coronation Hill', *Policy, Organisation & Society,* Issue 11, Summer 1995, pp. 1-24.

[256] N. Economou, 'Accordism and the Environment: the Resource Assessment Commission and National Environmental Policy-Making', 1992.

cultural sensitivities of the indigenous population. As such, Coronation Hill demonstrated that the adoption of the 'rationality project' to the public policy process would have its limitations as clearly, in this case, the politics of the *polis* would override its application.

Despite the contentious nature of RAC's policy framework, the Hawke government were determined to pursue a policy response that had the effect of institutionalising the damaging political conflict that was undermining its economic reform agenda. Policy development internationally assisted their appraisal of policy alternatives.

The Evolution of Ecologically Sustainable Development in Australia

Internationally, the search for a definition of sustainable development that might deliver the 'integration' of economic development and the environment first took on a substantive form in 1980 when three conservation authorities, the International Union for the Conservation of Nature and Natural Resources (IUCN), the United Nations Environmental Program (UNEP) and the World Wildlife Fund (WWF) produced the World

Conservation Strategy: *Living Resource Conservation for Sustainable Development*,[257] The Strategy:

> aimed to help advance the achievement of sustainable development through conservation of living resources...and identifies the action needed to improve conservation efficiency and to integrate conservation and development.

It added that:

> For development to be sustainable it must take account of social and ecological factors, as well as economic ones; of the living and non-living resources base; and of the long term as well as short term advantages and disadvantages of alternative actions.[258]

The long sought after 'balance' was to be achieved through *integration*, and this became the dominant focus for the development of an Australian policy response. Most importantly, the *World Conservation Strategy* highlighted a new shift in the way the development/environment conflict was to be approached. Conservation was *promoted* to ensure that development was *sustainable*. Economic development remained legitimate, the twist being that conservationists now found that their arguments and the language of their discourse was now being used to justify *sustainable* economic development. This is not just about a none

[257] IUCN, UNEP & WWF, *Living Resource Conservation for Sustainable Development* Gland, Switzerland, 1980.
[258] ibid. Introduction.

too subtle reinforcement of the legitimising principles of liberal democratic states. As this thesis will argue, it is a strategically developed response to a legitimacy challenge, from environmentalism to the liberal democratic state.

In Australia, the Fraser government took the initiative with the World Conservation Strategy, launching it in March, 1980 and adopting the key definitions and principles in *A National Conservation Strategy for Australia* (NCSA).[259] The NCSA had been proposed by a conference held in Canberra in June, 1983. A broad representation of people attended the conference including academics, community members, business representatives, environmentalists and officials from both federal and state governments. A number of source books and drafts had been prepared at previous conferences, beginning in late 1981. At the very beginning of this process a Steering Committee effectively gave control of the drafting and proposing stages to government officials, the Confederation of Australian Industry (CAI) and the Australian Conservation Foundation (ACF), the two peak non-government organisations involved in the process. The key stakeholders were quickly identified and given legitimacy as the 'peak bodies'. This was to remain an important trait of future policy

[259] Commonwealth of Australia, *A National Conservation Strategy for Australia*, AGPS, Canberra, 1983.

developments. Significantly, at this earlier stage, there appears to have been little if any trade union representation.

The final draft of the NCSA made the following comment on sustainable development:

> Conservation and development are fundamentally linked by their dependence on living resources. Both conservation and sustainable development require an attitude of stewardship, especially towards those plants, animals and micro-organisms and the non-living resources on which they depend, that could be destroyed if only short-term human interests are pursued. To provide for today's needs as well as to conserve the stock of living resources for tomorrow, both conservation and development are necessary.[260]

The discourse of the new environmental paradigm (NEP) is represented in the reference to 'stewardship' and the significance of 'non-human and non-living resources'. The future integration that would be attempted within the ESD process is promoted through reference to the 'fundamental link between conservation and development'. Most significantly, this statement clearly indicates that sustainable development will represent a different type or kind of development than previously promoted, but, *development* nevertheless. Again, this is a critical early exposition of the nature and goals of sustainable development, in its Australian form. It was firmly linked to, and derived from, the values and ideas inherent in Dryzek's imperatives for liberal democratic states.

The initiatives contained in the 1980 World Conservation Strategy fell into somewhat of a policy hiatus over the next five years and the proposed 1983 endorsement of the NCSA was subsequently delayed.

In August 1985, the Interim Committee of the NCSA reported to the Hon Barry Cohen, Minister for Arts, Heritage and the Environment, on the approaches to implement the NCSA. No action resulted until 1988 when the Government set the following guidelines for Ministers for translating the NCSA objectives into day-to-day decision making:

- there should be an integrated approach to conservation (including all environmental and ecological considerations) and development by taking both conservation and development aspects into account at an early stage;
- resource use decisions should seek to optimise the net benefits to the community from the nation's resources, having regard to efficiency of resource use, environmental considerations and an equitable distribution of the return on resources;
- Commonwealth decisions, policies and management regimes may provide for additional uses that are compatible with the primary purpose values of the area, recognising that in some

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[260] ibid.

cases both conservation and development interests can be accommodated concurrently or sequentially and, in other cases, choices must be made between alternative uses or combination of uses.[261]

By this stage, sustainable development had been given a global focus through the popularisation of the term that followed the 1987 release of the World Commission on Environment and Development report, *Our Common Future,*[262]chaired by the Norwegian Prime Minister, Gro Harlem Bruntland.

The Bruntland Report and ESD in Australia

The focus of the Brundtland Commission was to examine the gap in living standards between the first and third world nations. The conclusion reached was that the existing pattern of economic growth within the first world nations was unsustainable. In addition the balance of trade, favouring the first world nations, was unsustainable for the third world nations. The report emphasised the need for economic development that was sustainable environmentally - development which provided for the use of natural resources and energy without abuse of those

[261] See: R.J.L. Hawke, *Our Country Our Future: Statement on the Environment*, AGPS, Canberra, 1989, p. 5.

resources. For the first time, the debate around sustainability had a legitimacy and profile that forced world governments to respond.

Not surprisingly, the definition provided within the report had a narrow, economic focus with an emphasis on efficient use of resources. For example, it places strong emphasis on waste minimisation and recycling, the use of clean technologies and the appropriate valuation of natural resources and environmental damage. Sustainable development was:

> Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.[263]

Here, the definition raises the critically contentious issues of intergenerational and intragenerational equity.

The issue of how a society decides what resources/assets should be passed on to future generations involves valuing future costs and benefits, together with the difficult political question as to whether and to what extent it is appropriate or possible to substitute human-made capital for natural capital.

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[262] In Australia this report was to be published as: World Commission on Environment and Development, *Our Common Future,* (Australian Edition), Oxford University Press, Melbourne, 1990.
[263] ibid. p. 8.

Sustainable development also involves distributional issues within the present generation, a social justice imperative. It involves asking the consumers of certain resources and generators of environmental pollutants to pay for things that they were previously getting for free or for which they were being subsidised by other groups in the community.

There is an awareness, inherent in the definition of sustainable development that in some cases, particularly in developing nations and communities, that without compensation the quest for sustainable development has the potential to create a greater burden on low income groups and worsen current inequities. This debate has arisen when levels of deforestation in regional areas – such as the Amazon Basin - that are considered to be unsustainable. In this instance, nations may seek compensation when asked to reduce the levels of deforestration because such a policy might be seen to 'interfere' with 'sovereign rights' regional development strategies.

In Australia the Hawke government took a major initiative to assist institutionalised decision making policy in relation to major resource projects in 1988 when the Resource Assessment Commission (RAC) was established. Growing pressure from environmental groups, to be reflected in the pivotal role such groups and issues played in the 1990 Federal election, was

responded to in the Prime Minister's Statement on the Environment in July 1989, *Our Country Our Future.*[264] The statement endorsed the NCSA and committed additional resources to a wide range of existing and new conservation programs.

Given the controversy that followed both the Franklin Dam and Wesley Vale disputes, largely focusing on criticism of the capacity of the Commonwealth government to interfere in State jurisdictions, it is noteworthy that the Prime Minister's statement foreshadowed an even greater role for that level of government in environmental policy. It emphasised that while under the Australian Constitution, the States and Territories have primary responsibility for protecting and regulating the environment, many of the environmental problems faced by nations did not respect State and Territory boundaries, and cannot be resolved piecemeal.[265]

The Hawke government was desperate to indicate to the business and investment community that national approaches to environmental policy would produce the certainty they demanded when considering investments in large resource development projects. This was particularly expedient after what was considered to have been at best a very shabby approval process with the failed

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[264] R.J.L. Hawke, *Our Country Our Future: Statement on the Environment*, 1989.
[265] ibid. p. 9 .

Wesley Vale project, where state and federal agencies appeared to be at loggerheads. All three of Dryzek's imperatives were implicitly driving political responses and policy initiatives at this time.

With this in mind the statement foreshadowed the following intentions, all of which are indicative of Prime Minister Hawke's attempt to establish a new co-operative approach to areas of policy contention between the Commonwealth and the States within the existing Federal system:

- to establish a consultative group of Commonwealth, State and Territory governments that would consider environmental and development issues in a broader and more integrated way;
- to establish a forum of industry, union and conservation representatives to enable discussion of their concerns;
- to develop, with the States, agreed national minimum environmental standards for air, water and noise quality;
- to examine the approvals process for major development projects with a view to improving both its definition and its timeliness.[266]

The statement also included a commitment to a new version of sustainable development:

[266] ibid. pp. 10-13.

> The Australian Government recognises the fundamental link between growth and the environment. It recognises that environmental aspects are an integral part of economic decisions. It is committed to the principle of *ecologically* sustainable development.[267]

It is in this statement that the first reference to sustainable development carries the 'ecologically' prefix. Whatever the reasons[268] it certainly signified that in Australia, a notion of sustainable development was to specifically acknowledge the environment within a policy approach that accepted and promoted the need for an 'integration' of ecological and developmental concerns. The 'ecologically' prefix was a deliberate choice by way of highlighting, through language, the link between environment and development that the government statement recognised.

The peak industry, labour and environmental groups first met with Prime Minister Hawke and other relevant senior Ministers in December 1989. This meeting set in motion the ESD

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[267] ibid. p. 4. (emphasis added)

[268] There is considerable debate on this matter. Industry groups were concerned that the 'ecological' prefix would focus the emerging debate on environmental concerns. Others, notably government bureaucrats (personal communication) saw it as an opportunity to reinforce the view that the environment and development were not, as was usually seen to be the case, mutually exclusive. The general consensus seems to be that the 'ecological' prefix was significant in the sense that it was sufficient to initially entice the environmentalists into the process and then to keep them engaged. Perhaps the last word should be left with the observations of two key participants, Harris and Throsby. They state that: 'In the early discussions within the ESD Working Groups, the question was raised of the need for the prefix "ecological" ...the reality was that the use of the term "ecological" in association with "sustainable development" was a prerequisite to the environmental groups' involvement in the process' see Harris and Throsby, 'The ESD Process: Background, implementation and aftermath' in C. Hamilton and D. Throsby, (eds.) *The ESD Process: Evaluating a Policy Experiment,* 1998, p. 17.

policy process. An interdepartmental committee, convened by the Department of Prime Minister and Cabinet (DPM&C), was established to prepare a Commonwealth Discussion Paper on ESD.

ESD Discussion Paper - June 1990

The Commonwealth Discussion Paper, June 1990, on ESD provides the first opportunity to examine the framework from which Australia's understanding of sustainable development would emerge. That the ESD Discussion Paper was entirely draw up from within Commonwealth government bureaucratic structures is indicative of the level of control of both the policy agenda and process that the state acquired from the outset of the process.

The introduction to the ESD Discussion Paper states:

> This paper discusses the concept of using resources on an ecologically sustainable basis, and proposes some principles that might inform the formulation of a sustainable development strategy. It also suggests a number of methods that can be employed to give the concept the practical effect in different sectors of the Australian economy.
>
> The Government intends to establish working groups for each of the main industry sectors that use or have a significant impact on natural resources. It has invited industry, union and conservation groups and the States to be involved. Following public comment, this paper will be

finalised and will then provide a frame of reference for those working groups.[269]

The definition of ecologically sustainable development that provided the focus for the Discussion Paper on ESD was broad and open to interpretation being both highly ambiguous and strategically symbolic when seen within the context of the government's commitment to the macro and micro reform agenda. It was also responsive to the structural imperatives of liberal democratic states, as outlined by Dryzek.[270]

> Ecologically sustainable development means using, conserving and enhancing the community's resources so that ecological processes, on which life depends, are maintained, and the total quality of life, now and in the future, can be increased.[271]

The Discussion Paper emphasises that it was not the Commonwealth's intention to set out a blue-print for ESD at this early stage. Indeed, there is a recognition that the process of change will be a long term process. It is hoped that Government initiatives in the area of ESD policy development will assist in both broadening and accelerating Australia's efforts to move down the path to ESD. Hence, there is an immediate recognition of the

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[269] Commonwealth of Australia, *Ecologically Sustainable Development: A Commonwealth Discussion Paper*, AGPS, Canberra, 1990, ESD: Discussion paper, 1990, Foreword.

[270] See Chapter One for an outline of these imperatives.

restrictions - the need for co-operation between potentially hostile stakeholders - and the prospect of growth opportunities in new industrial developments:

> Promoting ecologically sustainable development requires co-operation between governments, industries, unions and conservation interests, and the support of the community generally, if it is to be truly effective. It is one of the great challenges of the 1990s for Australia and the world. It also has the potential to provide major new opportunities for Australian industry.[272]

Clearly, the focus is on the need to ameliorate political conflict.

The Discussion Paper outlines a set of principles that demonstrates its linkage to the Brundtland Report. The five principles: integrating economic and environmental goals in policies and activities; ensuring that environmental assets are *appropriately* valued, meaning here, economically valued but with a recognition of the importance of intrinsic value; providing for equity within and between generations; dealing cautiously with risk and irreversibility; and recognising the global dimension, give rise to four fundamental goals:

- improvement of individual and community well-being and welfare that does not impair the welfare of future generations;

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[271] Commonwealth of Australia, *Ecologically Sustainable Development: A Commonwealth Discussion Paper*, 1990, Foreword.

- the provision of equity within and between generations;
- recognition of the global dimension; and
- the protection of biological diversity and the maintenance of ecological processes and systems.[273]

With respect to the first principle, the Discussion Paper indicated the political goals of the policy process. These goals indicated that in reality the change in approach advocated was a change of *kind* rather than substance. The accumulative imperative would not only drive the process but would be the principle goal in the time-honoured tradition of the 'rationality project':

> The Government wishes to optimise both economic growth and environmental protection. The two goals have sometimes been presented as incompatible, and the argument put that negative growth is the only way to save the environment. However both goals can often be pursued simultaneously, and this can be facilitated if, as issues arise, an integrated approach is taken. *The issue is not whether there should be economic growth but rather what kind of growth should be encouraged.*[274]

The Discussion Paper advocated a sectoral approach - nine different industry sectors : agriculture, energy use, energy production, transport, mining, fisheries, forest use, tourism, manufacturing - to the development of ESD strategies but recognised the need for such strategies to be co-ordinated to ensure

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[272] ibid. p. 12.
[273] ibid. p. 2.

they are mutually reinforcing and have a broad consistency of economic and environmental goals. Nonetheless, this approach also entrenched the self-interest of the bureaucratic steering committee in consolidating their control of the process and ensuring that specific sector concerns had an airing within the agenda setting and consequent discussions that evolved within the process. The approach adopted also acknowledged the need for the proposed sectoral working groups to address the important intersectoral issues of biodiversity; climate variability and potential climate change; air; land and water degradation; population; and ethical, aesthetic, cultural and recreational values and equity issues.

The final section of the Discussion Paper briefly lists what are perceived to be the key issues for ESD which need to be addressed by each of the sectoral working groups. These issues will be addressed in some detail when the ESD Manufacturing Report is examined in some detail (see Chapter Seven). These lists were not exhaustive but provided a guide for the working groups.

Significantly, the Government did not pursue its commitment to revise this Discussion Paper following public comment. This was the first indicator to the stakeholders involved in the search for ESD of the Government's reluctance to extend the

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[274] ibid. p. 3. (emphasis added)

consultative process beyond the peak bodies sanctioned to participate in the policy process. Instead of a revised Paper it was left to the nine Working Groups to interpret the extensive comments on the Discussion Paper by interest groups and individuals and their implications for future policy. In other words, the bureaucracy succeeded in controlling the policy framework by not changing the original Discussion Paper to incorporate a much broader framework for discussion by the ESD Working Groups.

In short, they determined the extent to which participation and input would influence the framework of the Discussion Paper. Not surprisingly, it remained as originally framed.

The ESD Working Groups

On 29 August 1990, Prime Minister Hawke wrote to the three chairs to confirm their appointment to overview the nine Working Groups:[275] Table 4 below lists the names of the chairs.

Table 4 ESD Working Group Chairs

Name	Organisation	Position
Dr Roy Green	CSIRO	To chair the Agriculture, Forestry and Fisheries Working Groups
Professor David Throsby	Macquarie University	To chair the Energy Use, Transport and Tourism Working Groups
Professor Stuart Harris	Australian National University	To chair the Manufacturing, Mining and Energy Production Working Groups

Membership of the nine working groups was finalised over the next three months. Peak bodies representing industry, environment and labour, together with relevant departments from both Commonwealth and State governments, were invited to nominate representatives. Significantly, more than half of the Groups' membership was drawn from the government sector and this raised concerns that bureaucracy might dominate the consequent policy process.

The composition of the Manufacturing Working Group is indicated – see Table 5 below- not only because its operation will be the subject of closer analysis in the course of this thesis, but to indicate the broad structure of each group.

[275] See Chapter One for some extracts from this letter.

Table 5 Manufacturing Working Group Membership

Membership
The Chairperson, Professor Harris
Four officers from Commonwealth Departments – (Department of Industry, Technology and Commerce (DITC); Department of Primary Industry and Energy (DPIE);Treasury and Department of Arts, Sport, the Environment, Tourism and Territories (DASETT)
Two State government representatives (nominated by the Australian Industry Technology Council)
One representative of the Australian and New Zealand. Environment and Conservation Council (ANZECC)
One member from the Australian Council of Trade Unions (ACTU)
One member from the Commonwealth Scientific Industrial Research Organisation (CSIRO)
Three members from environmental groups (two from the Australian Conservation Foundation (ACF) and one from Greenpeace (the latter subsequently withdrew)
Two members from industry (representing the Business Council of Australia (BCA) and the Australian Manufacturing Council (AMC) supported by two observers from MIM Holdings and ICI Australia Pty. Ltd.
Two representatives of the Australian Consumers Association (ACA)
The Group was supported by an Executive Officer and a small Secretariat in the Department of Industry Technology and Commerce (DITC).[276]

The composition of the other eight working groups was similar to the Manufacturing Working Group except for the Forestry Working Group. The major environmental organisations refused to participate in this working group, arguing that its discussions would merely duplicate the existing RAC inquiry into the forest industry. In addition to the forestry group, the Wilderness Society refused to participate in any of the other ESD Working Groups, citing the poor record of the Commonwealth Government on recent environmental decisions. In March 1991, Greenpeace withdrew from all working groups in response to the

[276] Details, including names and affiliations can be found in: Commonwealth of Australia, *Ecologically Sustainable Development Working groups, Final Report – Manufacturing*, AGPS, Canberra, 1991, pp. v-vi.

Commonwealth Government's decision to proceed with Resource Security legislation. Forestry remained an icon issue for the various environmental groups, particularly the Wilderness Society and its campaigns, significantly, against woodchipping of native forests in Tasmania.

As it was not possible to represent all interested parties on the Working Groups, the Prime Minister asked the Chairs to liaise as widely as possible to ensure a range of views were taken into account. The Commonwealth Government also provided financial support to the peak environmental organisations to offset the drain on their resources of providing representatives to eight of the working groups. This funding fell largely to the ACF after the withdrawal of the other groups from the ESD process.

Finally, a central Secretariat was established to service the three chairs; to co-ordinate work on the key cross-sectoral and intersectoral issues which were not adequately covered by the Working Groups; and to undertake a public consultation process. The latter comprised publication of a regular *Newsbrief*; the conduct of a Public Attitude Survey on attitudes towards key aspects of ESD; and the conduct of twelve, one-day public meetings, one in each State and Territory capital and four regional centres. These

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[276] Details, including names and affiliations can be found in: Commonwealth of Australia, *Ecologically Sustainable Development Working groups, Final Report –*

public meetings were attended by at least one of the Chairs and attracted widespread interest, with the Sydney and Melbourne forums having 220 and 198 participants respectively.

Operation of the Working Groups

The process within the Working Groups was broadly similar. It began with the examination of the large number of submissions from interest groups, State Governments and individuals made in response to the Commonwealth Discussion Paper. The Working Groups then met on a regular basis - two days a month being the norm - in different locations close to the activities of each sector. A typical meeting comprised reviewing draft papers prepared by Members or the Secretariat, and meeting representatives of industry, environmental and regulatory bodies. Regular meetings were held between the Chairs and the Executive Officers to promote a consistent approach between sectors.[277]

The draft reports of the nine Working Groups were completed in July 1991 and made available for public comment. Most of the draft reports did not contain specific recommendations and most of the remaining phase of the Working Groups' task was involved in the formulating of policy direction to achieve ESD. The

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Manufacturing, AGPS, Canberra, 1991, pp. v-vi.

fact that no recommendations flowed from the draft deliberations of the Working Groups is a clear indication of the extent to which the reports themselves, even in their final form were to be broadly *indicative* and *educative* rather than *substantive* in their recommendations, with sufficient caveats available to promote *flexibility* and the capacity to fit into *jurisdictional needs*. The latter referring to state government reluctance, and resistance to involvement in a process they saw largely as being dominated by the Commonwealth government. The final reports, completed in November 1991, contained about 500 recommendations for the nine sectors.

The Chairs, in their letter transmitting the final sectoral reports (together with reports on Greenhouse and Insectoral Issues) to the Prime Minister, made the following observations:

> There have been few precedents for the comprehensive 'whole of society' approach adopted here, or for the level of consensus-seeking that has characterised our work.
>
> In our view, however, the extent of common ground achieved is remarkable and has been one of the major outcomes of the process.
>
> Our experience with the process, the responses from the community forums, and reaction to the draft reports, have left us with a clear impression of growing community support for the goals of ecologically sustainable development. It is a common view of all concerned, we believe, that this is just the start of a process that will remain fundamentally

[277] Personal communication with Mark Tucker, ESD Secretariat, ICESD member, DPM&C, November, 1995.

> important for the future of the Australian community. It is vital, therefore to ensure that the momentum that has been established in the ESD process should be maintained.[278]

That momentum was surely tested in the evaluation stage of ESD process.

ESD Policy Evaluation Phase

The 500 plus recommendations of the Working Groups impacted on all three levels of government; had time frames varying from immediate to long term; and in some cases supplemented or cut across existing policies and policy initiatives. The task of how and in which form these recommendations could be put into practice was allocated to seventeen Commonwealth/State Ministerial Council Groups and a further twenty officials' Working Groups. Responsibility for co-ordinating this task and formulating a comprehensive ESD strategy to put the Working Groups' recommendations lay with two intergovernmental committees, the ESD Steering Committee and the National Greenhouse Steering Committee. Both were chaired by the Department of Prime Minister and Cabinet. Clearly, control of the process was to be handed to the state and outcomes reflecting the particular policy reflex of bureaucratic steering systems.

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[278] Commonwealth of Australia, *Ecologically Sustainable Development Working groups, Final Report – Manufacturing*, 1991, pp. iii-iv.

These Steering Committees prepared draft strategies for the Heads of Government meeting on 11 May, 1992. It was agreed at that meeting to release the draft strategies as officials' discussion papers and seek further public comment. The draft strategies were subsequently released by the Prime Minister on June 30 for a two month public comment period. Over two hundred submissions were received in this period.

There was some criticism of the fact that participation in the policy evaluation phase was confined to the Commonwealth and State government representatives. The ACF, in particular, had advocated establishing a series of Task Forces representing major interests, similar to the Working Groups, to conduct this phase.[279] Government did not agree to this proposal. Two conservation groups, Greenpeace and WWF, boycotted the August 1992 meeting of the ESD Consultative Forum while the ACF walked out of this Forum on the first morning, saying that most of the ESD recommendations had been watered down or ignored and the ESD process was in danger of reducing the reports of the Working Groups to nothing or meaningless platitudes. The ACF did not participate in the subsequent consultation process, including a Public Forum in September 1992 to review the officials' discussion

[279] This reflected the ACF's preference for a consultative process more akin to the Canadian government's "Round Table" deliberations on Sustainable Development.

paper on the ESD strategy, or make a submission on the draft strategy.

On December 7, 1992, the Council of Australian Governments (COAG) endorsed final versions of both the *National Strategy for Ecologically Sustainable Development* (NSESD) and *the National Greenhouse Response Strategy* (NGRS), noting that implementation would be subject to budgetary priorities and constraints in individual jurisdictions. This clearly supported the educative and indicative nature of the process rather than a challenge to existing policy parameters. It also reinforced the States' agenda, to reclaim the process from the Commonwealth.

COAG also agreed to the release of a Compendium of ESD recommendations which records how the above Strategies, together with examples of existing policies and programs, relate to each of the recommendations arising from the ESD process. The Compendium indicates that more than 80 per cent of the ESD Working Groups' and Chairs' recommendations had been accepted in whole or in part and less than 4 per cent rejected.[280]

This also clearly suggests that the recommendations were neither controversial nor confrontational for major stakeholders,

[280] Council of Australian Governments (COAG) *Communique,* Dec 7, Perth, 1992.

particularly agencies of the state that had consistently controlled the direction of the policy process. This after all, was a process that had as its driving principle the elevation of environmental issues beyond the point of 'balanced consideration' to *integration*, a process that would have if implemented, clearly challenged existing approaches to environmental or resource management policy.

Whilst the 80 per cent acceptance is a victory for the consensus style approach adopted by the Working Groups and warmly endorsed by the state, particularly Prime Minister Hawke[281] who initiated the ESD process, it could also reflect the extent of maintenance of the *status quo* within existing policy frameworks and the consequent acceptance of lowest denominator outcomes.

National ESD Strategy (NSESD)

The National Strategy for ESD sets out the broad strategic and policy framework under which governments will co-operatively make decisions and take actions to pursue ESD in Australia. The fact that the National ESD Strategy was endorsed by COAG is indicative of the Keating government's - Keating replaced Hawke as Prime Minister in December 1991 - commitment to a more co-

[281] In addition to the ESD process, Hawke had been actively involved in a consensus driven approach to national wage deliberations that effectively saw the labour movement enter into an Accord with the government over wage increases, with

operative approach to Federal issues particularly contentious issues such as attempts to resolve the environment/development conflict that had traditionally ignited Federal/State tensions.[282] This is despite evidence that Keating himself remained a committed centralist in terms of Commonwealth/State relations. Even his opposition could not stop the momentum built up over the previous eight years.

The purpose of the National ESD Strategy was to frame the policy response of the competing stakeholders. It provides a framework to *guide* policy and decision making, particularly in those key industry sectors which rely on the utilisation of natural resources. It also aims to be accessible to industry, business groups and the broader community. The National ESD Strategy aims to take an *educative* role. Business will be *encouraged* to use the Strategy as a basis on which to develop processes, resource use and management techniques which contribute to Australia's national goal for ESD. Similarly, community groups will be *encouraged* to *promote* the ESD goal, objectives and principles and to develop community-based and individual action to pursue ESD. Landcare is a good example of this approach, being reactive rather than

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trade-offs in the areas of social welfare policy and superannuation replacing the traditional wage deliberation rounds.

[282] The significance of COAG's endorsement was the establishment under COAG of the Inter-Governmental Committee on ESD (ICESD). This was the mechanism that handed the implementation phase of the ESD process back to the States. The ICESD was abolished by the Howard government in 1998.

proactive.[283] Once landowners are convinced that the adoption of conservation strategies are protective of their self-interest the capacity to adopt community based approaches does not run the risk of being seen as an assault on property rights.

The National ESD Strategy outlines Australia's goal, core objectives and guiding principles. At the end of a two and half year process, from the release of the ESD Discussion Paper through to COAG's endorsement of the NSESD the outcomes are a set of goals, objectives and principles barely different from the ESD Discussion Paper. These are listed in Table 6 (see below):

[283] Landcare is a community based, grass roots organisation set up to address local environmental degradation issues. Communities are encouraged to co-operatively design and fund local responses by way of remedial efforts. Funding support from

Table 6 **NSESD Goals, Objectives and Principles**

Goal	Objectives	Guiding principles
Development that improves the total quality of life, both now and in the future, in a way that maintains the ecological processes on which life depends.	To enhance individual and community well-being and welfare by following a path of economic development that safeguards the welfare of future generations	Decision making processes *should* effectively integrate both long and short term economic, environmental, social and equity considerations
	To provide for equity within and between generations	Where there are threats of serious or irreversible environmental damage, lack of scientific certainty *should not* be used as a reason for postponing measures to prevent environmental degradation
	To protect biological diversity and maintain essential ecological processes and life-support systems	The global dimension of environmental impacts of actions and policies *should* be *recognised* and *considered*
		The need to develop a strong, growing and diversified economy which can enhance the capacity for environmental protection *should* be recognised
		The need to maintain and enhance international competitiveness in an environmentally sound matter *should* be recognised
		Cost effective and flexible policy instruments *should* be adopted, such as improved valuation, pricing and incentive mechanisms
		Decisions and actions *should* provide for broad community involvement on issues which affect them.[284]

government is provided at the initial stages but is dependent on a capacity to demonstrate a self-reliant funding strategy into the future.

[284] Commonwealth of Australia, *National Strategy for Ecologically Sustainable Development*, AGPS, Canberra, 1992, p. 8 (emphasis added)

Analysis of these NSESD recommendations within the context of three policy constructs/approaches - symbolic, ambiguous and substantive – provides useful insights. These three constructs inform the extent to which the policy process is being determined not by the *substantive* goals indicative of the 'rationality project' approach to public policy, but by the *symbolic ambiguity* of the *polis*. A preliminary evaluation clearly highlights, through the use of a simple table where the emphasis lies within the 'strategically' presented NSESD recommendations. The purpose here is to identify the extent to which these constructs might be applied to the NSESD recommendations, that take the form of the goals, objectives and principles. The constituent notions of development; decision-making; context; and policy tools are used as benchmarks in the framing of the NSESD goals, objectives and principles. This will provide a preliminary indication as to which approach – the 'rationality project' or the *polis* – is dominate within this policy formulation. Table 7 (see below) sets out this analysis.

Table 7 NSESD Recommendations within policy constructs - symbolic, ambiguous and substantive.

Area	Symbolic	Ambiguous	Substantive
Development	• That improves the total quality of human life. • In a way that maintains the ecological process on which life depends • Enhances individual and community well-being and welfare • Safeguards the welfare of future generations • Provide equity within and between nations • Protect biological diversity • Maintain essential ecological processes and life support systems		
		• A path of economic development	
Decision making	• Support for the Precautionary Principle	• Lack of scientific certainty should not be used as a reason of postponing measures to prevent environmental degradation	
	• Should effectively integrate both long and short term considerations • Global impacts to be recognised and considered		
Context	• Maintenance of an internationally competitive economy in an environmentally sound manner should be recognised		
Policy tools	• Decisions and actions should provide for broad community involvement on issues which effect them		
		• Cost effective and flexible policy instruments should be adopted such as improved valuation, pricing and incentive mechanisms	

Table 7 clearly indicates the *extent of the policy ambiguity and symbolism* as against *substantive* policy recommendations. It also indicates that often symbolic policy recommendations and ambiguity go together. The analysis of the ESD Manufacturing

Report (see Chapter Seven) indicates the relevance of this ambiguous symbolic policy making.

In conclusion, it is significant to note that the NSESD emphasises that these guiding principles and core objectives need to be considered as a package. No objective or principle should predominate over the others. A balanced approach is required that takes into account all these objectives and principles to pursue the goal of ESD.[285]

It is worth noting that Australia embarked on a range of policy initiatives with regard to environmental policy during the two years of the ESD process. The linkage between these policy initiatives and the key ESD process is not always clear. Indeed, the vast majority of these initiatives appear to emerge outside of the ESD policy framework. Again, this reflects the bureaucratic steering systems reliance on decompartmentalism and decomposition where rather than establish an integrated approach the result is a largely ad hoc response to both domestic and international resource management policy issues. That such a range of intiatives occurred is perhaps indicative of the level of 'turf wars' that emerged both in response to, and within the period of the ESD process. Not all agencies (either Commonwealth or State level) embraced ESD,

[285] ibid. p. 9.

indeed some were openly antagonistic to the process and others felt alienated or 'left out' as other agencies, for example, Prime Minister and Cabinet, gained ascendancy through its co-ordinating role.[286]

Concurrent Environmental Policy Development

The development and implementation of environment protection policies and programs continued through the two years of the ESD strategy formulation process. It was always intended that the Australian and New Zealand Environment and Conservation Council (ANZECC), and its component Commonwealth and State portfolios, would continue their policy development actions during this period and there was frequent interface between these processes and the ESD process. As indicated above, not all of these initiatives can be seen as 'endorsing or embracing' the principles of ESD. Indeed, some of these initiatives had a very short life span or

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[286] See Harris and Throsby for observations here. One of the significant 'turf wars' at the Commonwealth level was between the DPM& C and DASETT, the latter feeling that it had been left out of the process when Prime Minister and Cabinet took the lead role in the ESD process. See Harris and Throsby, in Hamilton & Throsby (eds.) *The ESD Process*, 1998, p. 13-14. For a State perspective on the process it is useful to get the view of John Ramsey, at the time of the ESD process, Secretary, Department of Environment & Land Management, Tasmania. Ramsey was to chair the ICESD. In a paper presented in 1993 to a (then) Royal Institute of Public Administration Australia (Tasmanian Division) conference on 'Managing Sustainable Development in Tasmania', Ramsey argued that whilst he would give the ESD process a 'very high pass' his criticism was ESD could have had a more substantial impact at the State level had the States driven the process in the first place and not come in at the end. See John Ramsay, 'The Australian ESD Process: A State perspective', in Royal Institute of Public Administration Australia (RIPAA) [Tasmanian Division] *Managing Sustainable Development in Tasmania*, Conference Proceedings, November, 1993, pp. 15-21. For a complimentary observation see Dr Brian Head, Department of Premier & Cabinet, Queensland, *Managing Sustainable Development in Tasmania*, Conference Proceedings, November, 1993, pp. 12-14.

emerged in entirely new forms as time passed. Some remained no more than an aspiration and fell by the wayside as governments changed and priorities shifted. Key developments in this policy arena, in Australia and internationally included:

Intergovernmental Agreement on the Environment (IGAE)

The decision to develop such an agreement was made at the Special Premiers' Conference in October 1990, and Prime Minister Keating's *One Nation* Statement on 26 February, 1992 announced that agreement had been reached. The IGAE in relation to the environment is pivotal in the Commonwealth government's co-operative federalism strategy.

The IGAE sets out the roles of the parties and establishes the 'ground rules' under which the Commonwealth, State, Territory and local governments will interact on the environment. This had historically been the area where jurisdictional debates had not assisted in developing effective policy responses. It includes a broad set of principles to guide the development of environment policies and, in a series of schedules, sets out co-operative arrangements on the following specific issues:

- a national approach to the collection and handling of environmental data;

- joint collaborative efforts to facilitate national and environmentally sound land-use decisions and approvals processes;
- a common set of principles for environmental impact assessment;
- a co-operative Commonwealth/State/Territory process for developing national environmental standards, guidelines and goals; the establishment of the National Environment Protection Authority to develop this process;
- the co-operative development of a National Greenhouse Response Strategy;
- intergovernmental arrangements to oversee implementation of the Convention on Biological Diversity signed by Australia at UNCED on 5 June 1992;
- closer co-operation between governments in preserving the national estate;
- codifying arrangements between governments on identification and nomination of World Heritage areas; and
- co-operative arrangements on a wide range of nature conservation issues.[287]

Whilst the emphasis in the IGAE was on co-operative arrangements between the States and the Commonwealth, in order

[287] Council of Australian Governments (COAG), *Intergovernmental Agreement on the Environment*, May 1, 1992.

to establish protocols in relation to legislative responses - for example, EIS - it also indicated areas of State concern, particularly their perceived lack of consultation in areas of World Heritage nomination, and other International Treaty Obligations. The latter was a particularly contentious issues for the States following the Commonwealth's use of its constitutional powers in this area to justify its intervention in the Franklin River Dam dispute in Tasmania, a power endorsed by the High Court.

Commonwealth Environment Protection Agency (CEPA)

CEPA was an agency of the Department of the Arts, Sport and Environment and Territories (DASETT).[288] It was established in 1992 to work with all levels of government, business and the community to help establish a consistent, co-ordinated approach to environmental protection. It priorities include:

- introducing, through the National Environment Protection Authority (NEPA),[289] national environmental quality standards, guidelines and goals;

[288] DASETT no longer exists. Under the Howard government its responsibilities were transferred to numerous agencies. Environment Australia (EA) took over responsibility for environment policy issues.

[289] The establishment of the NEPA did not occur and subsequently the National Environment Protection Council (NEPC) was established through Commonwealth legislation in 1994, complimented in other jurisdictions. Members of the Council are nominated by the first Minister in each jurisdiction. They are not necessarily Environment Ministers.

- strengthening processes for reporting on the state of the Australian environment;
- performing environmental hazard assessments of chemicals and the products of biotechnology;
- reviewing and improving environmental impact assessment processes;
- encouraging clean production and waste minimisation;
- ozone layer protection through international treaties and national standards;
- resolving hazardous waste problems;
- developing national approaches to rehabilitating contaminated sites and to cleaning up polluted waters;
- addressing urban environment issues;
- implementing the Environmental Choice Scheme; and
- developing and promoting public information and education programs.

National Environmental Protection Council (NEPC)

NEPC comprises Commonwealth, State and Territory Environment Ministers. It will have legislative backing to set national standards and guidelines for air and water quality and the protection and management of the Australian environment. Its first major project was the development of a National Water Catchment Management Strategy.

Major Project Approval Process

CEPA was responsible for improving the environmental impact assessment process as it applied to prospective major projects. Once again, the spectre of the failed Wesley Vale project was an impetus for this initiative. The *One Nation* statement outlined new mechanisms to facilitate the approval process for developers and to avoid unnecessary delay. A Major Projects Unit, headed by the former Parliamentary Secretary to the Prime Minister, the Hon. L. Brereton MHR, was established pursuant to the *One Nation* statement in February 1992 and located in the Department of Prime Minister and Cabinet. This responsibility was then passed to new Special Minister of State, Hon. Frank Walker, MHR. The Unit was established to assist developers with both Federal and State approval processes seeking to ensure that the various elements in the process were handled simultaneously, rather than sequentially.

This Unit worked closely with the Major Projects Group, an interdepartmental committee, chaired by the Department of Industry Technology and Regional Development (DITRD). One of its first major projects was Mount Isa Mines' (MIM) controversial McArthur River development in the Northern Territory. Considered by some commentators to be a pay-back to miners after the failure of the Coronation Hill project, McArthur River was also

seen to undermine a large number of the legislative initiatives introduced in the late 1980s and 1990s, including ESD. This was because, given the jurisdictional problems associated with Commonwealth/Territory relations, the project was fast-tracked and the approval process appeared to undermine previous commitments to a more thorough consistent approach advocated after Wesley Vale. The other significant aspect of the McArthur River project was the issue of Aboriginal claims over the area. Native Title claims in relation to McArthur River coincided with the development of the Commonwealth *Native Title Act* and the question of whether pastoral and mining rights extinguished native title were negotiated throughout the project's development. The McArthur River mine project is revisited in detail later (see Chapter Five) as an example of how/if at all ESD related to ensuing policy developments and project management.

National Strategy on Waste Minimisation and Recycling

A draft discussion paper on this strategy was released in June 1991, and following public comment, a final strategy was launched by the Prime Minister in June 1992.

The Strategy set an overall target of a 50 per cent reduction in waste going to landfill by the year 2000. Planning targets also are set for recycling plastics, glass, aluminium cans and composting of

domestic organic wastes. Aimed at the local government level, this Strategy was the impetus for initiatives for the widespread adoption of recycling services at this level of governance and a rationalisation of State based landfill sites. The Strategy also encourages waste audits; waste management plans; planning procedures to ensure waste minimisation options are explored prior to project approvals; and waste disposal agreements with developers.

National Forest Policy Statement (NFPS)

Forestry management issues have been at the centre of environment/development conflicts for a number of decades in Australia, particularly in the states of Tasmania, New South Wales and Victoria where the focus of much conflict has been the management practices relating to old-growth forests and access to state forests for the export wood-chip trade.

This Statement was signed by all participating Governments, with the exception of Tasmania, at the COAG meeting in December 1992. Tasmania confirmed its commitment to the management of its forest resources as set out in its own state strategy - the Tasmanian Forest and Forest Industry Strategy 1991. The Policy Statement is the joint response by governments to three major reports, those of the ESD Working Group on Forest Use, the

National Plantations Advisory Committee and RAC Forest and Timber Inquiry. Governments vision for forest management, the national goals to achieve that vision, and the specific objectives and policy initiatives that might be adopted are described in this Statement.

The significance of the NFPS is that like the NSESD it was a policy initiative that was aimed at taking the political heat out of the continuing forestry disputes, particularly in Tasmania and Victoria. It was an initiative that concentrated on institutionalising the political conflict by encouraging stakeholders to participate in a process that conferred ownership and in turn, legitimacy to the process.

The NFPS consequently became the forerunner for the Regional Forestry Agreements (RFA) developed in both Victoria and Tasmania in the mid-1990s after extensive periods of public consultation and involvement from industry and environmental groups. Both agreements remain highly contentious in terms of outcomes. Industry groups remain generally supportive of the increased security the agreements provide for in terms of access and resource cost. On the other hand, environmental groups are highly critical of the open access they consider it provides for the continued woodchipping of native forests without any evidence of

the promotion of the down-stream processing or value-adding, promised by both government and industry groups.

The significance of the RFA for the liberal democratic state is that whilst the stakeholders argue over the outcomes, the political volatility so evident in terms of large scale summer forestry campaigns by environmental groups, fuelled by extensive media coverage, has dropped dramatically. The government has been able to adopt an almost statesman like position with State Premiers and Ministers dismissing objections on the basis that the concerns of various stakeholders have been 'dealt with' or 'addressed' within the development of the RFA. The message is a simple one, be in the process or a stakeholders perceived right to protest the outcomes or the process will lack legitimacy and be subsequently dismissed as irrational. In short, the institutionalisation of political conflict within the forestry sector has been particularly successful in terms of meeting the structural imperatives of the liberal democratic state.

National Water Quality Management Strategy

ANZECC and the Australian Water Resources Council (AWRC) independently initiated programs relating to water quality. The two bodies are now co-operating in the development of a single national strategy for water quality management.

In August 1992, a series of discussion papers and draft guidelines covering water quality, sewerage systems, groundwater protection and water quality management in the rural environment were circulated for public comment. These documents provided the basis for the development of a National Water Quality Management Strategy.

Biological Diversity and Nature Conservation

The Biological Diversity Advisory Committee prepared a *National Strategy for the Conservation of Australia's Biological Diversity*. Governments, through ANZECC, and in consultation with other relevant groups examined this document with a view to endorsing such a strategy through COAG. ANZECC was also charged with co-ordinating a strategy to implement the United Nations Convention on Biological Diversity signed in June 1992. This was the foundation for the *Environment Protection and Conservation Act* 1999.

A similar process hoped to establish a policy framework for the protection and management of nature conservation values. ANZECC is the primary forum for co-ordination and the Commonwealth's Endangered Species Advisory Committee is preparing an *Australian Strategy for the Conservation of Species and Communities threatened with Extinction.*

United Nations Conservation Measures

Australian government and non-government organisations have actively participated in UN forums seeking to develop world conventions for environmental protection. In particular, the United Nations Conference on Environment and Development (UNCED) met at Rio de Janeiro in June 1992. Key outcomes of relevance to the ESD process in Australia were:

Rio Declaration on Environment and Development. This is a declaration of 27 principles toward the goal of establishing a 'new and equitable global partnership for the sustainable arrangement of the Earth'.

Adoption of Agenda 21. This is a comprehensive action plan covering a wide range of environment and development issues. It does not in itself impose legally binding obligations but signifies a high level of political commitment to the Agenda. It is intended that responses to the objectives and activities outlined in Agenda 21 be developed according to each countries capacities and specific situations. In Australia, the emphasis on *Agenda 21* has been to develop an interest and commitment to the objectives and activities at the local government level.

Framework Convention on Climate Change. This action plan to combat the Greenhouse effect has been signed by Australia and most participating countries. By signing the Convention, Australia has signalled its willingness in due course to become a party by ratifying the Convention. The Convention will enter into force after it has been ratified by fifty countries. Ratification would indicate that Australia would be expected, although not legally bound, to act in a manner consistent with the objectives of the Convention.

Convention on Biological Diversity. The Convention was adopted on 22 May 1992 and signed by 153 nations. The U.S.A. was the only major nation to refuse to sign the Convention. The Convention is intended to ensure effective national action to curb the destruction of biological species, habitats and ecosystems. Australia has ratified this Convention.

Forest Principles. These are a non-binding 'Statement of Principles for Global Consensus on the Management, Conservation and Sustainable Development of all Forest types'.

UN Commission on Sustainable Development. In December 1992, the UN agreed to establish the Commission to oversee the outcomes of UNCED. Australia is a member of the Commission and hence prepared annual responses to the Commission regarding

'progress' in sustainable development initiatives. As the political momentum for ESD waned, so did the immediacy of the reports.[290]

ESD as an Ongoing Policy Process

At the release of the National ESD and Greenhouse Strategies Prime Minister Keating emphasised that, whilst this was an important step forward, it was by no means the end of the process.[291] Keating noted that his government would take further initiatives within the Commonwealth's own areas of jurisdiction and would continue to discuss a range of ESD issues with the State and Territories and with key interest groups.

The NSESD had a built in monitoring and review process that reflected both the concerns and preferred policy development framework of COAG. COAG concerns were essentially about State constituency concerns and the pace of movement towards the implementation of the NSESD. With that in mind, the States insisted on a prominent role within the monitoring committee. For the States, the establishment of the steering committee overseeing the ESD process was catch-up time in a process that they felt they had little substantive input, being left at the edges of a process that

[290] Whilst Australia managed to submit Reports to the UNCSD after 1995 they were often delivered later than required. This was especially so once the ICESD was abolished in 1998.

had been dominated by the Commonwealth and its agencies, together with the carefully chosen peak bodies.[292]

The ESD Intergovernmental Steering Committee (ICESD), comprising representatives of the three levels of government only, and the National Greenhouse Steering Committee were to report to Heads of Government within twelve months, and biennially thereafter, on the implementation of the Strategies seeking input and comment from key business and community groups. In addition, the Commonwealth committed itself to holding more frequent ESD Roundtable meetings to provide opportunities for dialogue with non-government representatives at the peak national level.

The NSESD recognised that the adoption of ESD objectives and principles in the private sector, and the task of implementing these strategies, to be by its very nature a long term process. The Working Groups had identified a wide range of management practices which had the potential to be beneficial to both industry competitiveness and to the environment.

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[291] Council of Australian Governments (COAG), *Intergovernmental Agreement on the Environment*, May 1, 1992.

[292] See comments made by John Ramsay at Tasmanian Conference (footnote above: 286) Ramsay was to Chair the ICESD and a driving force behind the IGAE which was very much a 'states rights' document, in the sense that it 'restricted' the interventionalist role of the Commonwealth.

The Manufacturing Working Group, for example, recommended actions by both industry associations and governments to promote the implementation of *best practice environmental management* at the firm level. This would involve the adoption of a 'whole-life-cycle' approach to production. Cleaner production processes, the minimisation of waste generation, the minimisation of resource and energy use per unit of output and the production of environmentally benign products are all essential components of this approach.

The Manufacturing Working Group also recommended that the Commonwealth Government implement an *environment management industry development strategy.* The Group noted that if Australia was to acquire a reasonable share of the growing market for environmental goods and services, this would provide increased activity and employment in an elaborately transformed manufacturing and service sector. It also would provide positive spin-offs for ESD in the form of increased expertise and leadership in environmental controls. The potential for new markets was a potent 'carrot' within the Manufacturing Working Group deliberations, that generally tended to support arguments *against* rather than support for the implementation of ESD (See Chapter Seven).

The extent of potential 'integration' that ESD espoused between environmental concerns and economic development is also mirrored by the Manufacturing Working Group. The Group noted that investment in plant and equipment is one of the most effective ways of introducing more sustainable practices into manufacturing. This position was significantly qualified as the Group emphasised that *business cycles* would determine the extent to which ESD practices would be implemented, not necessarily the urgency of any environmental issue.

The low level of business activity together with uncertainty over the impact of ESD strategies on 'competitiveness' all undermined a commitment to ESD in practice. The Working Group concurred that the general implementation of ESD principles would be aided by the recovery in general economic conditions. Again, it was clear what imperatives – dominant social paradigm - would both drive and determine ESD outcomes.

Summary Report on the Implementation of NSESD, December 1993

A Summary Report on Implementation of the NSESD was completed in December 1993 and publicly released following the February 1994 COAG meeting. It was prepared by the ICESD.

It is appropriate before the broad outline of this Report is detailed to reiterate the emphasis COAG placed on the NSESD. The NSESD noted that the appropriateness of some policies and progress on implementation will vary between regions and that each jurisdiction will determine its own priorities for implementation of actions following assessment of the budgetary priority they should command.[293] This was a potent reinforcement of the States' position on the ESD process and its potential implementation. They were determined that they would re-define the implementation process, or at the very least stall it, having been largely left out of the policy process leading up to the NSESD.

The information contained in the Report was provided by the States and Territories (excluding Western Australia which did not participate in the reporting stage), relevant Commonwealth departments and agencies, the Australian Local Government Association (ALGA) and relevant Ministerial Councils. Each body was asked to prepare a report on the implementation of the NSESD in their area of responsibility.

The overview within the Report suggested that a wide range of initiatives were promoting an ESD 'ethos'. This ethos provides

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[293] Commonwealth of Australia, *National Strategy for Ecologically Sustainable Development*, AGPS, Canberra, 1992, p. 10 & p. 14.

the link for a variety of diverse actions.[294] It also supports the view that the process was regarded, particularly by the States, as indicative and educative, rather than a substantive commitment. Hence, the promotion of an 'ethos' as distinct from substantive achievements that truly indicated a change in direction, the integration of policy determinations in the area of resource management.

The Report emphasises the educative and suggestive role the NSESD plays particularly in areas such as the National Landcare Program. Here, integrated government policies and natural resource management have drawn on vast community resources and experience to tackle the issue of adopting sustainable farming practices.[295] These include pest and weed control strategies, sustainable land management, training for farm managers and the development of property management plans.

The Report also addresses the progress made on a number of concurrent national approaches to environmental policy, including the NEPA and the development of the National Water Quality Management Strategy. The significance of these approaches was that

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[294] Commonwealth of Australia, *Summary Report on the Implementation of the National Strategy for Ecologically Sustainable Development*, AGPS, Canberra, 1994, p. 6.
[295] ibid.

in terms of policy process, they all adopted the same framework present in ESD, the institutionalisation of political conflict.

There is also a recognition of both the limited time available to make a concrete appraisal of the NSESD and the lack of evaluative instruments including sustainability indicators and the practical techniques and experience to support the use of economic market-like instruments to achieve environmental objectives, rather than regulation, promoted in the NSESD.[296] The lack of policy instruments reflected two main problems, firstly, the extent of political commitment to the ongoing process once the 'main task' had been complete, notably the easing of political conflict around resource management issues. Secondly, the use of ambiguity around the notion of what represented 'sustainability' made it impossible to create a policy instrument that was able to both identify and justify a level of sustainability in particular cases.[297]

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[296] ibid. p. 8.

[297] This was clearly demonstrated at the legislative level. In Tasmania for example, the Sustainable Development Advisory Committee (SDAC) made a number of recommendations about projects of State significance in relation to sustainability without developing one single policy instrument to justify or account for their recommendations. In the end, what their recommendations amounted to was little more than recommendations flowing from an elaborate EIS process, involving community input to recommendations. The process being far more important, politically, than the outcome.

Sectoral and Intersectoral issues are addressed in the Report. For example, the Report examines the implementation of the NSESD objectives for Manufacturing:

- to encourage the manufacturing sector to move towards achieving sustainability in its operations by embedding ESD principles in day-to-day operations; adopting best practice environmental management and whole-life-cycle analysis;
- to support industry development of new Australian environmental products and services; and provide information, education and the capacity to seek verification of environmental claims in marketing; and,
- to ensure relevant government product approvals are based on ESD principles, and develop an effective and sustainable approach to chemicals management in Australia.[298]

The Report states, but with a defining bottom line, emphasised by italics:

> Australia's manufacturing and service sectors are increasingly integrating environmental considerations into their policies and practices. Their efforts are supported by a range of Commonwealth and State government and private sector initiatives aimed at encouraging the adoption of more environmentally sensitive business strategies, *where these do not detract from the international competitiveness and growth prospects of industry* [299]

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[298] Commonwealth of Australia, *Summary Report on the Implementation of the National Strategy for Ecologically Sustainable Development*, AGPS, Canberra, 1994, p. 13.

[299] ibid. (emphasis added)

This is indicative of the persuasive influence of Dryzek's third imperative – 'staying afloat' – in a globalised economy.

Examples provided in the ESD Implementation Report include development of international co-operation on the phasing out of CFCs through the promotion of ozone-safe technologies in the Asia-Pacific region; and State programs in Victoria, New South Wales, South Australia and Queensland, aimed at better environmental management practices in the manufacturing sector.[300]

The overview section of the Report concludes by indicating some areas of concern and regret. It states:

> The absence of timelines makes it difficult to make an overall assessment of progress on the implementation of the National Strategy. Work has now commenced on most of the actions in the National Strategy, however there are some actions in the National Strategy where progress has been slower than hoped or where action has not yet commenced. Lack of financial resources has been a constraint on the ability of jurisdictions to initiate some of these actions.[301]

The most significant post-NSESD follow-up process was the establishment of the National ESD Roundtable in 1994.

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[300] ibid. pp. 13-15.
[301] ibid. p. 8.

National ESD Roundtable, June 16, 1994.

The National ESD Roundtable held at Parliament House on June 16, 1994 provided the first opportunity for broader discussion of initiatives and outstanding needs particularly from the non-government sector as they related to the NSESD and the National Greenhouse Response Strategy (NGRS).

The Roundtable was opened by Prime Minister Keating and jointly chaired by Ministers Beddall and Faulkner. Three State and Territory Ministers; Cleary, Minister for Environment and Land Management, Tasmania; Wood, Minister for Environment, Land and Planning, ACT; and Robson, Minister for Environment and Heritage, Queensland attended, together with officials from other states, Territory and Local governments. Western Australia was not represented. The non-government representation consisted of business, union and community groups. A total of one hundred and twenty three delegates attended the Roundtable.

In his opening welcoming address the Prime Minister emphasised the critical importance of realising the objectives of the NSESD and the National Greenhouse Response Strategy (NGRS). Mr Keating stated:

> Our natural environment is an integral component of our national life and our national identity, and there is in this country a very healthy debate about the environment and a great consciousness in the community generally. So we owe it to ourselves and to future generations to combat problems arising from historical neglect and to successfully meet the challenge to protect and preserve our environmental heritage.
>
> All Australians should have the right to enjoy and appreciate the full complement of our natural resources, in accord with a high quality of life and sufficient opportunities for sensible development and prosperity. The world and the society we pass on to our children should be ecologically sustainable. However, our support and enthusiasm for ESD must be tempered with a frank acknowledgment of the size of the challenge before us.
>
> The task is not simply to alter practices but also to alter attitudes. We need to strive for a greater acceptance of the fact that economic and environmental interests are interdependent and not incompatible.[302]

The State and Territory Ministers and officials took the opportunity to publicly promote their jurisdictions initiatives in relation to ESD and Greenhouse.

Significantly, Tasmanian Minister Cleary[303] outlined the creation of an integrated resource management legislative program that consolidated sustainable development as an umbrella principle for a series of five bills dealing with resource management, planning and development and appeal mechanisms. The principles

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[302] ESD/Greenhouse Intergovernmental *Roundtable Conference Proceedings*, Department of Prime Minister & Cabinet, (PM&C), Canberra, 1994, pp. 1-2.
[303] ibid. pp. 13-16. It is significant that the Tasmanian Legislative package makes no commitment to 'ecologically' sustainable development, drawn as it is from the New Zealand legislative initiatives around resource management.

are contained in the *State Policies and Projects Act 1993*. All other bills are linked to this central piece of legislation. This was one of the first legislative attempts to incorporate ESD principles in Australia.[304]

The principles of the Tasmanian legislation are: first, to promote sustainable development of natural and physical resources and the maintenance of the ecological processes and genetic diversity; second, to provide for the fair, orderly and sustainable use and development of air, land and water resources; third, to encourage public involvement in resource management and planning; fourth, to facilitate economic development in accordance with the above principles. The final principle promotes the sharing of responsibility for resource management and planning between different spheres of government, the community and industry in Tasmania.

The legislation also establishes state environment reporting; an integrated approach to deal with projects of state significance and; a sustainable development advisory group with responsibility to provide advice to government on state policies, projects of state significance and to prepare state of the environment reports. The establishment of the *Resource Management and Planning Appeal*

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[304] Again, the model used here was the New Zealand *Resource Management Act 1991*.

Tribunal enables all appeals to be brought together and dealt with as one. The Tribunal is required to base its decisions on the principles of sustainable development.

The final part of the package is a new *Environment Management and Pollution Control Act.* This legislation is based on the principles of sustainable development. It is integrated with the planning and land use approvals legislation. It provides for a Board of Management; enables enforcement provisions; provides for mandatory environmental improvement programs; it provides for environment protection notices and orders to be issued; and provides for the opportunity for public participation.

The importance of the Tasmanian legislative package is that it set the benchmark, federally, for an integrated approach to environmental/resource management legislation that addressed the principles of sustainable development.

By the end of 1997, the government in Tasmania introduced a new package of legislation that aimed to further refine the processes developed in the period described above. In doing so the government was responding to criticism, particularly from the business sector, that the process for development approval was too long and subject to too many points of objection from an almost unlimited number of stakeholders. The key change was to

incorporate the activities of several of the appeal processes and advisory groups into one body, rather than leave them as separate and independent bodies, hence reducing both the access for appeals and the degree of policy advice.

Major Concerns of Participants at the 1994 ESD Roundtable

The major issue raised at the meeting was Australia's commitment to and progress in reducing its Greenhouse gas emissions. There was a clear divergence of views between non-government groups on this matter. Industry and union groups noted the energy intensive dependency of the Australian economy and the special circumstances of Australia, such as the large size of the nation and dependency on fossil fuels, in relation to other OECD nations. In light of the small contribution Australia makes to Greenhouse gas emissions and the potential adverse consequences on Australia's trade and production, these groups called for a continuation of the 'no regrets' policy while promoting internationally the approach of 'equitable burden sharing'.[305] This position, even at this early stage was to embody the position the conservative Liberal - coalition Howard government, elected in

[305] This view was promoted by representatives from the ACM, ACA, AMC, BCA, AMC (see Abbreviations)

March 1996, was to 'triumphantly promote' at the Climate Change Conference, Kyoto, Japan, in December, 1997.[306]

Conservation groups on the other hand noted that Greenhouse is the primary environmental issue confronting the planet and in their view current Australian policy and progress is unsatisfactory. They put the view to the Roundtable that failure by Australia to meet its international commitments would lead to international embarrassment and a lowering of Australia's international environmental credentials.[307]

Mr Beddall, Commonwealth Minister for Resources, summed up the discussion on Greenhouse noting that there was consensus that Greenhouse gases had to be reduced - the argument between non-government participants was *how* that reduction should occur and to what level.[308]

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[306] See Minister Hill's comments at the launch of the National Greenhouse Strategy in November 1998:
http://www.environment.gov.au/minister/env/98/mrsp26nov98.html

[307] This view was promoted by ACF, WWF and Greenpeace together with consumer groups representatives.

[308] ESD/Greenhouse Intergovernmental *Roundtable Conference Proceedings*, Department of Prime Minister & Cabinet, (DPM&C), Canberra, 1994, Roundtable Proceedings, p. 90.

In summary, the Roundtable highlighted a number of issues in relation to the NSESD and NGHS:

- the difficulty of translating the broad and complex issues of ESD and Greenhouse into actions that individuals and small business can take;
- the view of industry groups that there is inadequate consultation with them when considering international agreements;
- the view that the Federal system, taxation and legislative regimes may be inhibiting achievement of ESD;
- the need to ensure equity and social implications are considered, particularly potential costs to disadvantaged social groups.[309]

Despite these criticisms the participants were generous in their suggestions for continuing the implementation of ESD. The following is a list of suggested actions all aimed at increasing the profile of the process and redefining their role. At the broader level was the aim of re-igniting a higher political priority for the process. The list proposed:

- a re-statement by governments of their commitment to ESD and inclusion of ESD and Greenhouse gas reduction measures in government statutes;

[309] ibid.

- greater non-government input into government ESD policy and implementation;
- establishment of appropriate institutional frameworks such as an Office of ESD and an advisory committee.[310]

These recommendations reflected a general view by participants that ESD was in need of a considerable input of political leadership at all levels of government, but particularly at the Commonwealth level, where it appeared to have lost momentum as a priority of government, particularly in relation to policy creation.[311]

Other suggestions for action in relation to improved implementation of the NSESD included:

- continuation of micro-economic reform so as to make more efficient use of resources and energy;
- increased expenditure on urban public transport;
- introduction of a carbon levy offset by a reduction in payroll tax;
- moratorium on native vegetation clearing;
- targets and timetables for Greenhouse gas reduction;

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[310] ibid.

[311] There is some evidence that the Keating government lacked the commitment and leadership in relation to ESD and environment policy generally than its predecessor the Hawke government which had initiated the ESD process. Paul Edwards in his biography of Keating indicates that Keating was dismayed to find that his department (DPM&C) were so committed in terms of staff to ESD that there was little economic policy work being done. Keating is also alleged to have remarked at the end of his first year in office that his greatest achievement has been to 'put the environment back where it belonged'.

- appropriate resource pricing;
- increased focus on minimising and reducing pollution and waste production;
- continuation of Landcare and its possible extension to other areas such as coastal zone management where government action is required;
- increased promotion of 'green' jobs and 'green' jobs programs;
- development of consistent environmental standards and enforcement across States;
- continuation of discussion and program development to narrow the gap between non-government groups in their differing views of ESD; and
- development of criteria to measure progress in achieving ESD.[312]

Outcomes

At the conclusion of the Roundtable the main outcomes from the forum were as follows:

- All participants re-affirmed their commitment to ecologically sustainable development and welcomed the Roundtable meeting and the opportunity to progress the ESD process.

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[312] ESD/Greenhouse Intergovernmental *Roundtable Conference Proceedings*, Department of Prime Minister & Cabinet, (DPM&C), Canberra, 1994, Roundtable Proceedings.

- Ministers Beddall and Faulkner noted the usefulness of the Roundtable in informing them of the extent of community commitment to ESD and publicly commented that the meeting went well.
- It was agreed at the Roundtable that Non-Government Organisations would meet with the Intergovernmental Committee on Ecologically Sustainable Development (ICESD) each year to exchange views and to discuss progress with ESD.[313]

COAG, in endorsing the NSESD in December, 1992, clearly placed the development of ESD at the policy level in the hands of the ICESD, a committee composed entirely of representatives from the three levels of government within the Australian Federal political system. The opportunity for non-government organisations to participate in this process was limited to informal discussions. The agendas for meetings of the ICESD were clearly focused on four main policy frameworks; ESD, Greenhouse, the IGAE and occasional reference to related international issues such as the Commission on Sustainable Development, the Montreal protocol and the Framework Convention on Climate Change.

Specific policy frameworks for ESD included a reference to the development of sustainability indicators. The fact that so little

[313] ibid.

was achieved in this vital area of policy implementation is an indictment of the difficulty associated with the task and the lack of resources and commitment devoted to its development. It remained the role of the ICESD to overview the implementation and evaluation of the NSESD, especially as it related to presentation of policy options for consideration at COAG meetings. The Department of Prime Minister and Cabinet (DPM&C) chairs ICESD.

Intergovernmental Committee on Ecologically Sustainable Development (ICESD)/ Non-Government Organisation (NGO) Consultative Meeting, April, 1995

Following the outcome of the ESD Roundtable Meeting in June 1994, it was agreed that the non-government organisations should have the opportunity to meet with the ICESD to discuss the evolution of the NSESD. This meeting took place in Melbourne on 27 April, 1995. The Meeting was attended by twenty four non-government organisation representatives and twenty-five government representatives. This included representatives from the Wilderness Society and the Western Australian government neither of whom had significantly involved themselves in the ESD process at any level. The agenda for the meeting was determined by the ICESD.

The non-government organisations had been provided with an information sheet on the ICESD and its work. This informed participants that the future work program of the ICESD included:

- the review of the IGAE;
- options for the implementation and review reports for the NGRS;
- options for the implementation and review reports for the NSESD;
- facilitation of an OECD Environment Policy Review of Australia;
- the possible referral by ANZECC of land based marine pollution to ICESD for further investigation.

Again, by this stage in the post-NSESD review the emphasis had switched significantly to the 'bigger picture' rather than the concrete policy development, particularly the need for sustainability indicators, that would have supported and reinforced the view that a truly integrated approach between environmental and development issues could be achieved. By this stage, there was every indication that the ESD process was in decline, cloistered by the meandering of the bureaucratic steering systems that the ICESD represented. In response the NGOs reiterated the issues raised at the 1994 Roundtable Meeting.

The NGOs raised the following concerns in relation to ESD and the work of the ICESD:

- ESD needs to be progressed, in particular, it requires strong political will;
- the review of the NSESD needs to examine implementation and the impediments and reasons for the lack of implementation;
- existing governmental structures did not seem to be working for implementing ESD and therefore a revision of existing structures or possibly new structures, provided they did not duplicate existing activities, was necessary;
- NGOs want greater involvement in and information on the work of the ICESD.[314]

The environmental NGOs had seen the ESD process as a real opportunity for a substantive change in governance approaches that would have matched the commitment to ESD. They advocated a 'whole of government' approach and a higher profile for ESD either through the establishment of a departmental commitment to ESD or a series of protocols that would have elevated the principles and goals of ESD to the centre of policy process at all levels and in all arenas. They also indicated that in their view, ESD required that economic policy in terms of substance and direction needed to be

[314] Intergovernmental Committee on ESD (ICESD)/ Non-Government Organisation (NGO) Consultative Meeting, *Minutes*, April, 1995

reviewed and revised to reflect the new integrated approach advocated by ESD.[315]

For government, ESD, merely reinforced the view that the environment and economy were linked and should not be seen as separate. Hence there was no longer the need for political arguments over development versus the environment. All that was left both in and outside government were arguments about the 'kind' of development that would proceed, a 'kind' of development strategically shrouded in ambiguity and symbolism, a 'movable feast' largely hidden from view within the excessively secretive ICESD.

Similar criticisms were raised by the NGOs in relation to the ICESD role in the NGRS. In addition the NGOs emphasised the importance of public participation as part of the review of the NGRS.

In response to the range of criticisms and in the various policy arenas, the meeting agreed that:

- NGOs could provide their views to ICESD, in writing, on governmental structures for implementing ESD and these would be distributed to other NGOs;

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[315] ibid.

- ICESD members would inform their respective governments of NGO views on ESD and its implementation;
- information would be provided to participants on the work the ICESD had undertaken regarding intergovernmental co-operation on coastal zone issues;
- information would be provided to participants on the forthcoming OECD Environment Policy Review of Australia and that ICESD would consider the means for NGO participation in the review, including their interaction with the ICESD Steering Committee.[316]

The focus for the NGOs remained similar to that expressed at the ESD Roundtable Meeting almost twelve months earlier: greater political leadership; a broad implementation review; participation in the process of review; and greater transparency within the process, particularly in relation to the role of the ICESD. This view was not just one advocated by environmental NGOs but by business and industry groups who had become increasingly annoyed over the lack of transparency of the process under the auspices of the ICESD.

The issue of the micro-economic reform and ESD was an agenda item for this meeting. The Chair informed the NGOs that

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[316] ibid.

the ICESD would be considering its role in the current micro-economic reform policies. In response the NGOs raised the following concerns:

- the lack of ESD considerations being taken into account in competition policy and other micro economic reform initiatives;
- the implementation effort that has gone into competition policy in contrast to that for implementing ESD;
- the need for greater involvement of industry in gas reform.[317]

Other agenda items included clarification as to the role various governmental agencies had in the implementation of biodiversity strategies and the role if any of the ICESD in forest policy. Both policy areas lay outside the parameters of ICESD involvement.

In their closing comments the NGOs reiterated the need for more consultation prior to any future meetings especially in regard to agenda items; the requirement for political will to implement ESD; the necessity to link ESD with micro-economic reform; and, increased opportunity for involvement and transparency in the work of ICESD. The emphasis on competition policy within the micro-economic reform was seen by the environmental NGOs as an impediment to the implementation of ESD. Industry groups,

[317] ibid.

particularly as represented in the Manufacturing Group submissions and final report largely saw ESD as an impediment to competitiveness, focusing on the *costs* rather than the *benefits* to support their position.

The Chair, ICESD responded in her closing comments by stressing the importance of consultation between ICESD and NGOs and welcomed the feedback on the consultation process; noted that the ICESD meets only three times a years and therefore has to carefully design its work program and prioritise the issues it can examine. The Chair concluded by restating a commitment to draw the relevant issues raised at the meeting to the attention of appropriate intergovernmental forums and to forward a report to the Prime Minister on the major issues.

In a letter to the Prime Minister dated June 1, 1995, the Chair subsequently reported that while in the view of the NGOs ESD remained a worthwhile goal, a lack of political will particularly at Commonwealth level had stalled the implementation process and hence a 'stocktake' needs to be taken of both the NSESD and the NGRS.[318]

[318] A. Tinney, Chair, ICESD, *Letter*, June 1, 1995.

Indicators at the time were that the Review of the NSESD and the NGRS would take the form of a 'rolling review' over two stages, an update of the implementation report of 1993, already overdue, and an assessment involving a consultative process.[319]

The 1995 Summary Report on the Implementation of the National Strategy for Ecologically Sustainable Development

As an indicator of the lack of government support for the ESD strategy, the 1995 review of the implementation of the NSESD didn't appear until 1997 and the review of the strategy itself, due in 1997 didn't occur.

The 1995 NSESD Implementation Report reflects the downgrading of the Strategy as a policy process. The Implementation Report reinforces the position that ESD remains educative or indicative with limited strategic significance, apart from its continuing political efficacy. Highlights from the report indicate where the Strategy is impacting:

- the increasing inclusion by some jurisdictions of ESD objectives in legislation, for instance, for agricultural and veterinary chemicals, planning, fisheries, and state owned corporation such as water and electricity corporations;

[319] Personal communication with ESD Secretariat, Dept of PM&C, November, 1995.

- the use in some jurisdictions of legislatively based state environmental planning policies or sustainable development policies as environmental planning instruments to address matters of statewide significance which require statewide application of policy;
- the numerous Local Government programs implementing ESD, for example, the salinity control scheme in the Shire of East Loddon in Victoria, the City of Noarlunga Industrial Chemicals Project (NICP) in South Australia and the coastal management proposal developed by three councils in Tasmania;
- institutional changes have introduced an ESD approach to policy making, including, for example, the creation of the South Australian Environment and Natural Resources Cabinet Committee, the Tasmanian Sustainable Development Advisory Council and the establishment of the New South Wales Pricing Tribunal;
- the attempt to inform thinking across the whole of Australian society by including ESD in the curriculum framework for schools and higher education programs, and through setting in place community awareness, education and participation programs based on the requirements of the NSESD;
- the recent fundamental changes in fisheries ecosystem management, forest land use and management and water resource management in most jurisdictions and;

- the attempts to co-ordinate and integrate the delivery of programs, for instance, in agriculture through the Rural Partnership Program.[320]

Within Manufacturing, the specific ESD sector case study of this thesis, the 1995 Implementation Report reiterates the 1993 report, merely repeating that the NSESD 'aims to move industry towards achieving sustainablity by embedding ESD principles in day-to-day operations including by adopting best practice management. The Strategy aims to encourage the development of Australian environment products and services; to provide information, education and the capacity to seek verification of environmental claims in marketing; the ensure that government product approvals are based on ESD principles; and to develop a sustainable approach to chemical management'.[321]

It goes on to highlight successes in the encouragement of cleaner production; phasing out of ozone depleting substances; and chemicals management.

Whilst the lack of support from the Keating led Labor government from 1992-96 is indicative of the impact political

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[320] Commonwealth of Australia, *Summary Report on the Implementation of the National Strategy for Ecologically Sustainable Development*, AGPS, Canberra, 1995.
[321] ibid. p. 13.

leadership, or in this case, the lack of it can have on a policy approach, the election of the Howard, coalition government in March 1996, spelt the end of ESD as a guiding principle for future policy direction in relation to resource management issues. By December 1995, key policy advisors in PM&C responsible for ESD, voted with their feet and left for 'greener' pastures, notably the Department of Environment, Sports and Territories (DEST). By May 1996, the ESD directorate within PM&C had shut up shop.[322]

In summary, two issues drove the search for sustainable development in Australia. Firstly, the extent of political conflict that arose from environmental issues in the 1980s. Secondly, that political conflict had the capacity to undermine the government's attempt to pursue its economic reform agenda. The failure of the Wesley Vale project was the impetus for a policy design that was proactive as distinct from a reactive an *ad hoc* response. As such, ESD was an attempt to align environmental issues to the larger economic reform agenda. The international push for sustainable development provided the template for policy design with regard to the ESD process.

[322] The author, on contacting DPM&C at this time was told that documents previously available would now be subject to FOI requests. Promises to provide public documents were never carried out and requests for documents previously available within DPM&C were now declared victims of the transfer of power, lost and no-where to be seen.

The ESD Discussion Paper, drawn up by Commonwealth bureaucrats is indicative of the discursive contest that exists between competing ideas such as environmentalism and development. These discourses are advocated by a variety of stakeholders in the ESD process, from government and industry to a large number of non-government organisations. This discursive context is emphasised by the decision to develop a sectoral approach to ESD. Nevertheless, the ESD Discussion Paper demonstrates the need to approach the analysis of the process with methodological tools that are pertinent to the process. A discourse analysis provides such a lens.

The ESD Discussion Paper is framed by a number of discourse codes, significantly the caveat that the issue is not economic growth *per se* but rather what *kind* of growth is appropriate. Within this discussion, three distinct discourses begin to emerge – government, industry and green (environmental) (See Chapter Six). In deference to the complexity of the issues, the contestable discursive position present in the debate as to what constitutes ESD, the NSESD that emerges from the process is largely symbolic and ambiguous. An analysis of the recommendations contained in the NSESD demonstrates the extent of this policy ambiguity as distinct from substantive outcomes.

The Chapter outlines concurrent policy responses to the ESD process and discusses the extent to which ESD is an ongoing process. It examines the range of stakeholders forums and legislative responses to the ESD policy framework that emerged post-NSESD.

The Chapter concludes by arguing that ESD lost momentum as a significant framer of policy responses during the Keating government and by 1996, with the election of the Howard coalition government, the political support for ESD ceased.

Before embarking on a discourse analysis of ESD it is pertinent to outline the analysis of ESD as presented in the policy literature with a view to outlining both the strengths and limitations of that approach in order to establish a case for an additional layer of analysis, that provided by policy discourse analysis.

Chapter Five
Overview of Analysis of Resource Management and Environmental Policy in Australia: Limitations and Strengths of Traditional Approaches

Introduction

Analysis of Australian environmental policy in the 1980s and 1990s can be broadly placed into two polarised camps. One approach rejects the notion that the challenge of environmentalism introduces special problems for the liberal democratic state.[323] It is essentially critical or dismissive of notions of a 'new politics' associated with the emergence of social movements. Such analysis argues that differences between environmental issues and other public policy issues are exaggerated, and can be accommodated within conventional processes of policy making and conflict resolution. In essence, this approach sees environmental issues fitting into traditional public policy approaches where consensus on short-term practical goals give rise to incremental policy adjustment.[324] This approach views environmentalism and its

[323] Here I would cite the work of Kellow. See A. Kellow, 'The Environment, Federalism, and Development: Overstated Conflicts?' in K.J. Walker, (ed.) *Australian Environmental Policy,* New South Wales University Press, Kensington, 1992, pp. 203-214; A. Kellow and J. Moon, 'Governing the Environment: Problems and possibilities' in I. Marsh (ed.) *Governing in the 1990s,* Longman Chesire, Melbourne, 1993, pp. 226-255 and T. Doyle and A. Kellow, *Environmental Politics and Policy Making in Australia,* MacMillan, Melbourne, 1995.

[324] This is an adoption of Lowi's typology and is typically applied in Kellow and Moon's analysis (see above).

commitment to 'the planet', 'the future' and the 'ecological imperative' to be essentially concerned with a range of issues relating to *human* wants and needs.[325] As such, it rejects the significance of the ecocentric view in generating political conflict in this policy arena and hence rejects the *unique* challenge posed by environmentalism to the liberal democratic state.

There is a complementary stream within this policy analysis that is essentially functional in its approach. This analysis views the role of the state in the development of resource management and environmental policy as one of conflict resolution.[326] This approach does not dismiss the complexity of the policy response in relation to the environment but is more inclined to 'congratulate' governance processes that emerge in response. This approach is more inclined to focus on the *process* pertaining to environmental policy development rather than critically assess the outcomes beyond the functional objective of maintaining political stability. Within this approach there is little critical assessment of the outcomes that emerge to address policy areas such as waste management options for toxic chemical residues; logging of old growth forests; salinity; and allocation of water resources. Substantive outcomes to these

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[325] Best examples of this are Kellow and Moon in Marsh and Kellow and Doyle (see above).

[326] The main writer to adopt this approach is Papadakis, a sociologist. See E. Papadakis and A. Moore, 'Environment, Economy and State' in S. Bell and B. Head, (eds.) *State, Economy and Public Policy in Australia,* Oxford University press,

issues may have been denied in the implementation phase of these policy processes.

This 'congratulatory' functional analysis gives rise to the following set of arguments as articulated by Papadakis and Moore:

> First, in countries like Australia established institutions, particularly agencies of the state, have demonstrated a remarkable capacity to adapt to fundamental challenges to their assumptions about the economy, politics and society. Second, the process of adaption has involved incorporating substantial elements of the green agenda not purely for cosmetic or tokenistic purposes, but because of a genuine recognition of their validity. Third, it is argued that, contrary to the assumptions of many environmentalists, some of the most far-reaching changes in behaviour towards the environment can be achieved by adopting some of the instruments used by proponents of economic growth, in other words, by promoting the use of market mechanisms. Fourth, despite the rhetoric of many developers (support for market mechanisms) functional analysis suggests that their conservative nature and preference for the maintenance of the *status quo* means that they are likely to prefer preventive measures such as statutory agreements between them and governments as being the most effective way of achieving environmental protection, as well as economic development.

The final argument to be developed by this analysis is that:

> ...many national governments, including the Australian Government, have developed political strategies to channel, contain or manage the potential conflict between environmentalism and development in a way that causes minimal disruption to structural imperatives, like the need for economic growth in capitalist society. However in doing

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Melbourne, 1994, pp. 334-353, and E. Papadakis, *Politics and the Environment: The Australian Experience,* Allen & Unwin, Sydney, 1993.

> so these governments have had to recognise the realities of electoral power struggles between political parties, illustrated by the fact that these imperatives can be and often are subject to challenge by new social actors and by new ways of thinking about social issues.[327]

Together these assertions develop a generally accepted view of environmental policy in Australia over the past twenty years. In Australia the Hawke ALP Government (1983-91), in particular, demonstrated immense flexibility in adapting to the challenges from environmentalism. Challenges to core assumptions about the economy, politics and society by social movements such as the Greens provided tensions for government. In its attempt to incorporate environmentalism, the government has contributed to the transformation of government agencies, which attempted to achieve a new synthesis - an integration - between apparently conflicting approaches.[328]

Functional environmental policy analysis suggests that economic factors still play a key role in policy-making. It further suggests that established organisations will have difficulty in accommodating environmental protection legislation if it might mean a loss of investment potential. A functional approach suggests that electoral imperatives drive government responses and

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[327] E. Papadakis and A. Moore, 'Environment, Economy and State' in S. Bell and B. Head, (eds.) *State, Economy and Public Policy in Australia,* Oxford University press, Melbourne 1994, pp. 350-351.
[328] ibid.

governments are interested in these issues given their high public profile. Within the framework of the *polis* as a foundation for analysis, this is a strength of this approach.[329]

Functional analysis also shows that there is considerable scope for ensuring greater predictability and cohesion in environmental policy and for developing effective policies that reflect the compatibility of economic growth and environmental protection. There is an underlining assumption within this analysis and that is that, particularly from the mid 1980s, both developers and environmentalists have abandoned many of their earlier presuppositions about the relationship between economic growth and environmental degradation. In short, the gulf between both attitudes and the understanding of cause and effect in relation to environmental degradation has decreased to the point where there is a greater opportunity for broader acceptance of previously polarised positions.[330]

Juxtaposed to this 'traditional' approach is an analysis that is both critical and prescriptive but essentially *descriptive,* as distinct from providing a basis for *understanding* and *explanation.* This

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[329] ibid.
[330] See: E. Papadakis, *Politics and the Environment: The Australian Experience,* Allen & Unwin, Sydney, 1993.

approach is a meta-approach to analysis[331], based as it is, on four central themes of environmental policy development: the need for anticipatory policy making; recognising the need for flexible responses; the need for institutional reform and the need for integrated or long-term comprehensive policy.[332] These themes are in response to 'traditional' approaches that, from the perspective of meta-analysis, give rise to a fractured, fragmented, almost apolitical picture of environmental policy. This approach gives rise to a number of important observations and conclusions about the evolution of governance responses to environmental conflict within Australia. The most pertinent analysis of this type is a political economy approach.[333] In Australia Walker is the preeminent proponent of this approach.

Walker argues that:

> Australian governments and political parties have been slow to adapt to the challenges posed by environmental conflict. Though a process of 'policy learning' undoubtedly exists, in which wise, 'landmark' decisions are increasingly in frequency, it belies the urgency of environmental problems with its snail's pace. Political culture changes slowly, and decision makers do not necessarily respond to problems by solving them. More often there is either

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[331] T. Bührs and R.V. Bartlett outline what they mean by 'meta analysis' in T. Bührs & R. V. Bartlett, *Environmental Policy in New Zealand,* Oxford University Press, Auckland, 1993, p. 30.
[332] ibid. p. 12
[333] See: K.J. Walker, (ed.) *Australian Environmental Policy,* New South Wales University Press, Kensington, 1992, and K.J. Walker, *The Political Economy of Environmental Policy: An Australian Introduction, University of New South Wales Press,* Kensington, 1994.

> 'displacement', or symbolic activity, often in the form of rhetorical responses, designed to reassure the public. Decisions may be based on partial information available through experts or administrators, selectively interpreted and presented, and often, radically incomplete. Implementation is often hampered by distortion or reinterpretation, reflecting the professional biases of those charged with the task, or the interests of favoured 'clients.'[334]

The conclusion drawn by Walker is that the fundamental conflict, at all levels of public decision-making, is between the rationalities of neo-classical economics and bureaucratic administration on the one hand, and that of ecology on the other. He argues that it is unlikely that environmental management will be effective unless this conflict is resolved, and the implications permeate all levels of government and administration.[335] Again, the case study of ESD provides a unique opportunity to evaluate these claims.

In addition there is the critique surrounding the lack of long-term comprehensive policy responses. Substantive policy responses to the potential impact of climate change brought about by the impact of the Greenhouse effect demonstrate the paucity of governance responses. As Lowe suggests:

> Issues such as global climate change pose a fundamental challenge to our political system. An intelligent response

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[334] K.J. Walker, (ed.) *Australian Environmental Policy,* New South Wales University Press, Kensington, 1992, p. 233.
[335] ibid. p. 254.

> requires planning on a time-scale of generations, whereas most politicians and bureaucrats are accustomed to much shorter time-scales. Since posterity does not vote, those who wish to protect future interests but who need to retain the confidence of electors can only do so by presenting a coherent vision of the future. In the Australian system, there are few signs of such coherent vision at any level of government.[336]

The consequent probability is that the response to such an issue will continue to be a series of discrete incremental measures without any underlying vision of a new sustainable structure that will substantively address the issue.[337] Focusing on policy responses to the Greenhouse effect, Lowe suggests that the problem is likely to remain as long as the thinking of decision-makers is dominated by the priorities of the short term and by narrow economic considerations. A long-term view has emerged only in those instances in which there is no great conflict with more immediate political and economic goals. Adoption of coherent strategies for the long term appears only to be possible when there exists a strong political impetus.[338]

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[336] I. Lowe, 'The Greenhouse Effect and the Politics of Long-Term Issues', in S. Bell and B. Head, (eds.) *State, Economy and Public Policy in Australia,* Oxford University press, Melbourne, 1994, p. 330.

[337] This is also the view of the development of environment policy suggested by Galligan and Lynch. They argue that because pluralist societies necessarily give rise to incremental adjustments and tradeoffs, claims are only partially accommodated through marginal adjustments of existing policies. See B. Galligan & G. Lynch, 'Integrating Conservation and Development - Australia's Resource Assessment Commission and the Testing Case of Coronation Hill' Federalism Research Centre, ANU, 1992, p. 1.

[338] I. Lowe, 'The Greenhouse Effect and the Politics of Long-Term Issues' in S. Bell and B. Head, (eds.) *State, Economy and Public Policy in Australia,* Oxford University press, Melbourne 1994, p. 330.

Recent developments in the Greenhouse policy response, with moves by the Australian government to review its commitment to global protocols on the basis of 'our unique dependence on fossil fuels', underlines the forcefulness of this critique. That such a strategy was accepted at the Climate Change Conference in December 1997 at Kyoto, Japan, allowed the Australian government to redirect the debate from global to local perspectives where the protection of the local political economy was assumed to be far more important than long term approaches to global environmental impacts.

Critical Analysis of the ESD Process in Australia

Two central aspects of the Australian ESD process need to be stressed as they provide a framework for critical analysis of the evolving process. Firstly, the impact of the Bruntland Commission cannot be over emphasised. This report gave a global focus to notions of sustainable development, but also provided impetus for new approaches to resource management and environmental policy formation. The arguments put forward in the Bruntland Commission Report suggesting a linkage rather than a fundamental conflict between the goals of economic development and the state of the environment provided a discursive space for reconsideration of policy approaches to resource management. The view that these issues were *complementary* and *interdependent*,

rather than polarised, provided new parameters for negotiation between the competing interests in these policy arenas. This had a strong political appeal for governments faced with a number of seemingly irreconcilable environmental/develop conflicts. These conflicts were, arguably undermining the capacity of liberal democratic states to pursue Dryzek's second imperative, the legitimising imperative, through the development of policy responses.[339]

Secondly, the opportunities proposed for the resolution of the development/environment conflict by the Bruntland Commission sat comfortably with the overall approach to policy formation and the resolution of conflict adopted by the Hawke Labor government, when it came to office in 1983. The Hawke government's style was essentially an attempt to manage policy issues through a consensus approach. The centre piece of this approach was the 1983 Accord between government and the Australian Council of Trade Unions (ACTU), designed to provide a process capable of dealing with the highly volatile area of negotiating wages policy and industrial relations. This became the framework for a series of consequent arrangements. Commentators, notably Economou, have argued that this approach was evident in a series of policy initiatives, including the establishment of the

[339] B. Jolly and E. McCoy, 'ESD and the Fragmentation of Policy: A Critical Review' *Policy Organisation and Society*, Summer, Adelaide, 1994, pp. 34-35.

Resource Assessment Commission (RAC) and the ESD process, as frameworks for conflict resolution.[340]

Economou is far from convinced that the focus of these policy initiatives was the need to address substantive environmental issues. His observation is that at all times the focus was on the resolution of political conflict by way of adapting a useful template, in this case the Accord consensus model, to another policy arena where the issues were potentially more volatile.[341]

Given the complexities of the issues involved in the ESD process, and the time-table pressures on the preparation of Working Group Reports, it must be stated at the outset that those initially involved in the process found it to be a worthwhile exercise. The process provided a forum where stakeholders had the opportunity to discuss and argue their case with opposing groups and attempt to arrive at positions of agreement and disagreement.[342] Much distrust and hostility was dissipated by the process and participants were generally surprised by the degree of consensus reached during the

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[340] N. Economou, 'Accordism and the Environment: the RAC and National Environmental Policy Making' *Australian Journal of Political Science*, Vol. 28, No. 3, November, 1993, pp. 399-412.
[341] ibid.
[342] In the view of the author this would be a general consensus position adopted by the vast majority of the commentators on the ESD process.

Working Group discussions.[343] In this sense the process itself was a successful strategy for governments attempting to institutionalise political conflict.

As Head notes, three general criticisms are made of the ESD process:

- the pro-development lobby expressed disappointment in the lack of development of cost-benefit analysis and sustainability indicators; the lack of a simplified fast-track approvals process for projects and the consequent continued absence of certainty and predictability for business. They wanted a certainty that the discursive framework of the ESD process made problematic.
- the green movement, despite the close involvement of the process by the ACF, the peak environment group, expressed major concerns that the NSESD was too vague, lacked funding support, political leadership, and gave too much scope for the States to avoid their commitments and that the consensual approach merely gave rise to lowest common denominator outcomes. They were concerned that a lack of political

[343] This is evidenced by the observations of participants and the comments of the Chairs of the working groups. In their letter to the Prime Minister the Chairs reiterate this position. See: Commonwealth of Australia, *Ecologically Sustainable development Working Groups, Final Report – Manufacturing*, AGPS, Canberra, 1991, pp. iii-iv. This is also a point not lost of Throsby and Harris in their observations of the ESD process. See S. Harris and D. Throsby, 'The ESD Process: Background, implementation and aftermath' in C. Hamilton and D. Throsby, *The ESD Process*, Academy of Social Sciences in Australia & Graduate Program in Public Policy, Australian National University, Canberra, 1998, pp. 1-20.

leadership and commitment would undermine the 'ecological' focus on the process.

- policy analysts and public sector managers expressed concern that the process was too complex, exhausting and expensive with virtually unmanageable problems of co-ordination. Their perspective on the process was largely political, driven by the immediate impact the process had on their resource base or their prestige within the hierarchy of bureaucratic steering systems that had an input into the broader resource management policy area.[344]

There appears to have been some reservation and resistance at the State level given the fact that ESD was initiated by the Commonwealth. State officials and politicians, believed that State positions on issues were not always given the priority that the States believed was necessary, or was required for their own domestic political agendas. This explains the lack of participation demonstrated by the Western Australian government. This observation merely mirrors the persistent jurisdictional debates that have dominated federal public policy since 1901.

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[344] B. Head, 'The Australian ESD process: a State Perspective' in Royal Institute of Public Administration Australia (RIPAA) [Tasmanian Division], *Managing Sustainable Development in Tasmania,* Conference Proceeding, November, 1993, pp. 13-14.

The States re-established some control of the ESD process when the NSESD came to COAG for endorsement. They made it clear that the implementation of the recommendations would take place at a speed and in a direction that reflected their jurisidictional priorities. They ensured that their control over the implementation process would be formalised when the ICESD was endorsed by COAG as the overseeing committee, entirely comprising government officials from the three tiers of government. The States reclaimed the process at the crucial implementation stage. This suited the Commonwealth who at this stage had achieved their principal objective, the institutionalisation of political conflict, and were quite content to let a range of government agencies at the various tiers of government, thrash out the details. This was a process/outcome that Stone had clearly identified as one of the political advantages/options available to the state with the advent of ambiguity in the policy process goals, objectives and principles identified in Chapter Three.

Sectoral Approach

Central to the critical analysis of the ESD process is the paradoxical application of the sectoral approach adopted by the Working Groups. Given that the Bruntland Commission had emphasised the need for an integrated approach to developing sustainable development, it appeared at the outset that the adoption

of a *sectoral approach* reinforced both the fragmentation of issues into distinct economic boxes, and the adoption or acceptance of bureaucratic steering systems. This was the very approach the Bruntland Commission was attempting to overcome. The ACF criticised the sectoral fragmentation arguing that such an approach created a bias towards economic rather than ecological considerations in the interpretation of ESD. Indeed the ACF extended this critique to attack the ESD Discussion Paper :

> ...the framework adopted in the discussion paper for defining ecologically sustainable development is conceptually flawed, in that the principles adopted are not sufficient or adequate to achieve ecological sustainability...Where economic demands are not reconcilable with environmental concerns the latter are to be sacrificed 'to ensure present and future economic benefits.[345]

As Jolly and McCoy highlight, the use of the sector by sector approach limited the ESD Working Groups' capacity to address a significant number of environmental issues which transcended sectoral boundaries, reinforcing the need to develop comprehensive responses to resource management and environmental policy development. This sectoral divide provided no opportunities for exploring the ecological principle of interconnectedness.[346]

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[345] W. Hare, (ed.) *Ecologically Sustainable Development,* Australian Conservation Foundation (ACF), Fitzroy, 1990, p. 48.
[346] B. Jolly and E. McCoy, 'ESD and the Fragmentation of Policy: A Critical Review' *Policy Organisation and Society,* 1994, p. 34.

As Jolly and McCoy outline, two non-sectoral issues emerged - 'intersectoral' and 'cross-sectoral':

> Intersectoral issues were understood to include overarching issues which were common across all sectors: including biological diversity (biodiversity); climate variability (through the enhanced greenhouse effect); air, land and water degradation; population; equity issues; and ethical, aesthetic, cultural and recreational values. Cross sectoral issues were distinguished as deriving from situations where the operations of one sector have a negative impact on another sector. The effects of water pollution from agricultural, manufacturing or urban run-off on the productivity of fisheries was the most often cited illustration of a cross sectoral issue. Other cross sectoral issues identified included competition for land, land management, marine management and waste minimisation.[347]

Jolly and McCoy further argue that:

> The treatment of non-sectoral issues as conceptually separate from sectoral ones was a predictable consequence of the organisation of the Working Groups into industry sectors. Early in the process the Chairs decided that non-sectoral issues should be the subject of a separate (tenth) report to the Government. This decision resulted in important matters of relevance to the overall formulation of policies for achieving ESD being largely addressed separately from individual Working Group deliberations. It is possible that separate treatment could have raised the status of intersectoral issues to that of being equal to the sectoral Working Group Reports. It did at least ensure that a range of non-sectoral social and environmental issues were addressed somewhere. However, in practice this separation of intersectoral from sectoral issues effectively removed complex environmental and social issues from the meeting agendas of the Working Groups, particularly as the pressure to complete reports in time for

[347] ibid. pp. 37-38.

> the deadline of 31 October 1991 intensified. Thus overarching issues such as the environmental ties between economic activities in the agricultural, forestry and tourism sectors, the protection of biodiversity and the range of complex issues concerning economic development and social welfare for Aboriginal communities were not considered in depth by the range of representatives on the Working Groups.
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> This is not to suggest that non-sectoral issues (intersectoral and cross-sectoral) were omitted from the ESD process altogether. However, whilst crucial to any substantive integration, they were are best treated as 'separate', which defeated the purpose of the process, or at worst, were seemingly tacked on to the processs as an after thought or at the behest of persistent political lobbying by such disenfranchised interest groups.[348]

As Jolly and McCoy highlight, in addition to the Intersectoral Issues report, separate reports were prepared by the Chairs on Greenhouse, Biodiversity and Urban Issues. The Report on Greenhouse Issues was prepared following a request by the Cabinet Sub-Committee on ESD that the Chairs report specifically on Greenhouse policy matters in light of the Government's policy on emissions reductions. This removed Greenhouse issues from the status of being sidelined as an intersectoral issue and ensured that each Working Group report specifically addressed the issue of Greenhouse emissions where they related to the sector under review.[349]

The Working Group Chairs defended the use of the sectoral approach on the grounds that it 'forces the issues down from a level

of abstraction and general principles to where decisions have in practice to be taken'. They were clearly focused on the administrative aspects. For the Chairs, the process became an issue of *what might be possible* within a complex array of perspectives, clearly reflecting a commitment to an instrumental rationality approach – a commitment to identifying goals.

A further administrative advantage was that key stakeholders can be identified and their subsequent participation confers a level of 'ownership' to the outcomes. Ownership undermines the legitimacy of criticism and protest that might emerge outside of the policy process. Participation by peak bodies and stakeholders also allows political leaders to justify both the process and the outcomes. This is a key component of the strategy to successfully institutionalise political conflict.

In conclusion, Jolly and McCoy suggest that in the case of ESD, administrative expediency was designed more to promote a particular policy process at the expense of policy substance.[350] In other words, their analysis supports the view that the process was designed with political goals in mind rather than policy objectives.

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[348] ibid.
[349] ibid.

Consensus Decision Making Processes

Given the conflicting discourses represented by the various participants in the ESD process as described above, the pursuit of a consensus based decision-making model appears problematic in policy terms but understandable in terms of political expediency.

There were early indications that the government engagement with the process was somewhat limited when it reneged on an earlier commitment to revise the ESD Discussion paper reflecting the input from the 200 submissions that had been received as a response. Nor was there any formal consultation with non-government interests during the first half of 1990 when the Discussion paper was being prepared. This indicated an approach where consensus was very much 'managed' by the privileged few, in this case government agencies and officials.

This may have reflected the high political stakes involved in attempting to institutionalise the existing volatile political conflict pertaining to resource management issues in Australia. As a consequence, the institutionalisation of political conflict attempted within the ESD process was always going to be a high risk strategy. This was largely due to the fact that it was always going to be

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[350] ibid. p. 37.

difficult to reach consensual agreement between 'development' and 'environment' interests which would achieve two government goals: address sectoral issues and fit into the overall principles of economic restructuring. A 'managed' consensus would have the participants in the Working Groups mutually 'owning' the recommendations that flowed from their Reports and hence limit their individual capacity to undermine the process and outcomes for short term political gains. Paradoxically, however, the result was that the only consensus reached tended to be at the marginal areas of conflict. The less reconcilable core conflicts were not addressed and remained the site for continued tension.[351]

The decision to treat 'intersectoral' (environmental and social) issues separately from sectoral (economic) ones in the ESD process undermined the objective of a genuine integration of the issues which must proceed from an authentic attempt at consensus-building around the identification and negotiation of significant areas of conflict.

A further implicit objective of the ESD process appears to have been the formal incorporation of the elements of the environmental lobby in routinized bureaucratic policy formulation. Given the subsequent marginalisation of environmental issues in

[351] ibid. p. 36.

the sectorally based ESD process, this could be interpreted as an attempt to reap political gain by including environmental interests in a process whereby they would be mutually responsible for policy outcomes. This implies that the Government was never really serious about ESD as a policy approach to environmental issues, but was more interested in the potential political benefits to be derived from consensual policy making.[352] This 'corporatist' approach within the ESD process will be examined in greater detail later in this Chapter.

In addition to the criticism of the sectoral approach, the adoption of market mechanisms within the ESD process met with a critical response.

The Promotion of Deregulatory Market Mechanisms within the ESD Process

One of the guiding principles of the NSESD was the promotion of cost effective and flexible policy instruments, such as improved valuation, pricing and incentive mechanisms.[353] Of these three approaches only the improved valuation policy instrument became the subject of any substantive investigation, in the form of a discussion paper. This implied a deregulatory thrust and the

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[352] ibid. p. 39.
[353] Commonwealth of Australia, *National Strategy for Ecologically Sustainable Development*, AGPS, Canberra, 1992, p. 8.

adoption of market-like mechanisms to promote ESD. However, the adoption of market-like mechanisms within a policy framework that placed importance on social justice considerations, particularly the notion of intergenerational and intragenerational equity, produced tensions and an ambiguous and paradoxical role for the state. The linkage between market-like deregulatory mechanisms and ecological sustainability was never clearly explained and remained a somewhat paradoxical choice in terms of policy options. Such mechanisms had emerged from the UNCED sustainable development principles.

The Australian government was not alone in placing a preference for a de-regulatory approach to environmental policy. Such a focus was consistent with the broader policy instruments adopted at the macro and micro economic reform level. Hence the link to the new, proactive approach to environmental policy that attempted to merge one policy arena to the broader national economic objectives. This was to emerge within the Rio principles.[354] The development of ESD where the traditionally juxtaposed positions between environmental concerns and economic development were 'dissolved' within an integrated approach to policy formation provided a framework for arguing that the search for efficiency - efficient allocation of scarce resources

[354] See information on the Rio Conference principles in Chapter Four.

- in resource management and environmental policy could be mirrored by adopting the same policy instruments. It was a utilitarian response with an emphasis on the promotion of 'cost-benefit analysis' and the adoption of 'best available technology'. Within this approach environmental concerns have been pitched into the resurgent faith in laissez-faire market values. This approach seeks to placate the neoliberal and public choice theorists' suspicion of government regulation of individual behaviour.[355]

The belief in individual motivation is fundamental to the Australian federal government's preference for market-based measures in forming its sustainable development strategy. The NSESD supported the view that:

> rights (ensure) that users have an incentive to consider the longer term and to manage those resources sustainably.[356]

There is, nevertheless, little empirical evidence to support this supposition. Indeed, in the case of perhaps Australia's greatest environmental disaster, the continuing degradation of the Murray-Darling River system, the emergence of toxic algae bloom as an almost seasonal occurrence, the adoption of 'access rights' and the subsequent introduction of a 'cost' where previously water had been

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[355] H. Endre, 'Legal Regulation of Sustainable Development in Australia: Politics, Economics or Ethics' *Natural Resources Journal*, Vol. 32, No. 3, Summer, 1992, p. 490.

accessed 'free of charge' for agriculturalists had the effect of exacerbating the 'management' dilemmas of water access and sustainability. This situation was further complicated by Federal political tensions between the four State constituencies involved. Nor has the adoption of 'property rights' through licences and quotas, assisted with the sustainability of the wild fisheries although it can be argued in the case of some species, notably tuna and some scale fisheries, the introduction of Total Allowable Catch (TAC) measures has improved the sustainability of the stock.

Market failure and the negative externalities that provide the need for government regulation in the first place seem to be the victims of acute amnesia. The government sees preexisting market mechanisms, together with government designated property rights and government-set environmental standards through the use of monetary incentives, as the solution to environmental problems that are themselves the product of inefficiently operating markets. While market measures may encourage resource use that is more sustainable than previously, there is no guarantee that resource use will be *sufficiently* sustainable, especially with an *ecologically* sustainable development framework. This is precisely the dilemma illustrated by the Murray - Darling river system and the wild fishery stocks. This dilemma provides the basis for arguments justifying a

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[356] Commonwealth of Australia, *National Strategy for Ecologically Sustainable Development*, AGPS, Canberra, 1992, p. 13.

role for the state in determining *what* constitutes TAC or total *allowed*.

The implicit promotion of the individual as an omniscient, infinitely calculating, egotistical maximiser fits easily with attempts by government to limit human calculus from the disparate and complex world of the political to the narrow but seemingly value free world of economics. This mirrors Stone's criticism of the 'rationality project' and the market/polis dichotomy she promotes as an explanatory note. Because the calculus is economic, prima facie moral and philosophical considerations are excluded, particularly varying levels of aesthetic appeal or ecocentric perspectives individuals might adopt in relation to the environment.

The so-called neutrality of economic equations is far from impartial though. The 'rationality project' in this case, turns out to be very political in the sense of promoting explicit and implicit values and ideas. The calculus is a value-laden process. It assumes that individuals wish to make their environmental choices through the market process, rather than the political process. This is a concern that Stone highlights in her analysis. It assumes that individuals consent to any of the outcomes that result from the actual free market economy, or the pseudo-free market

(government created) economy. Thus government defines 'sustainable development' more in terms of present political and economic conditions that presently exist, rather than in terms of the ecological circumstances which acted as its catalyst.[357] The consequences for the role of state are profound, ambiguous and paradoxical, but strategically successful.

The Australian Commonwealth government within this context reduces its role to setting the standards for appropriate use of the environment. It assumes the role of 'umpire' rather than participant. This use of market measures is inextricably linked with a government approach of managed capitalism that paradoxically seeks also to pursue a deregulated export and import market. The act of deregulation *requires* an active engagement by government in the process.

As Endre notes, the adoption of a definition of sustainable development based on market mechanisms by an Australian Labor federal government whose political agenda favours social equity is at first sight puzzling. But this tension is a measure of the robustness with which political forces have been influenced to set the policy agenda to include the virtues of competition. Policy-makers perceive that preference for procedural change, rather than

[357] H. Endre, 'Legal Regulation of Sustainable Development in Australia: Politics, Economics or Ethics' *Natural Resources Journal*, Vol. 32, No. 3, Summer, 1992, p. 502.

direct substantive regulation, to protect the environment is a compromise between the opposing forces of environmentalism and development.[358] This reflects the application of the bias of the values and ideas associated with the broader macro/micro reform agenda.

Endre highlights one of the paradoxes within the ESD process:

> The Australian government attempting to formulate a policy on sustainable development that will satisfy its general policy objective of deregulation, the achievement of that goal will *necessarily* involve substantial intervention in the market. Environmental conservation and preservation in the form suggested must ultimately be enforced by central control mechanisms, albeit under the guise of indirect regulation. While economic instruments of market-based measures designed to ensure positive environmental outcomes may themselves require legislative backing, the government unquestionably preferred indirect environmental regulation over direct regulatory mechanisms. The government's preference arises from its perception that market-based measures provide a 'continuing incentive' to resource-users to identify and adopt more efficient ways of obtaining a given environmental standard or in spurring efforts to achieve 'progressively better standards'.[359]

Government is reluctant however to substantiate those standards and hence tension arises. Endre explores this tension. She argues that:

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[358] ibid. p. 503.
[359] ibid.

> The tension remains between the Australian government's drive for deregulation and market mechanisms in its environmental strategy and its emphasis in the ESD Discussion Paper on the fundamental place of social equality as its political goal. This tension can to some extent be resolved by understanding that social equity within the welfare economics paradigm also incorporates the belief in markets as a naturally occurring self-regulating entity.[360]

As Endre argues:

> The nexus between neoclasssical welfare economics (laissez faire market liberalism) and the market lies in the way in which maximising aggregate happiness justifies government intervention. Government intervention in the market is legitimized if it seeks to improve the ability of individuals to make their own choices. By defining efficiency within the rational choice model, economists assume that a free market will ensure the collective ideal of social equity. Because the aggregate good equals the social good, society favours individual behaviour that seeks to improve individual happiness because that behaviour incidentally increases the aggregate good. Policy makers and society can justify government intervention to correct market failure because efficient allocation of resources achieved by government still preserves the desirable qualities of the free market.[361]

As such, Endre sets out a role for government that follows from this analysis:

> Whether environmental regulation takes the form of direct controls or indirect controls in the form of incentives to resource users, the fact remains that those controls are set by government. Market mechanisms *must* be regulated to the extent required to ensure the broader social costs are included in commodity prices. The so-called natural equilibrium of the market has not managed to achieve this goal as part of its

[360] ibid.
[361] ibid. p. 504.

> natural activity yet as demonstrated earlier, sustainable development requires assistance and intervention from an external force to avoid the free rider problems. The paradox of such a situation is that imposition of external, institutionalised market operations cannot, by definition, be a deregulated resources market. To place the values of collective welfare in monetarist vocabulary pre-supposes the "valuation" of environmental "assets" by government and policymakers.[362]

Again, this paradox highlights the market/polis dichotomy that Stone applies in her analysis of the policy process.

Endre argues that the Australian federal government's use of the term ecologically sustainable development maintains the fiction of the market as a self-equilibriating entity. The term also maintains conceptually the link between private property, market capitalism and economic growth that has dominated modern economic theory.[363]

In Australia, the political difficulties of attempting to balance the needs of 'equity' and 'efficiency' had been clearly demonstrated in the practical outcomes of the Resource Assessment Commission inquiries into both the Kakadu Conservation Zone and Forestry Management. Despite the deployment of the cost-benefit analysis approach of utilitarianism, the Resource Assessment

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[362] ibid.
[363] ibid. p. 505.

Commission[364] was required to also identify aesthetic values that the legislation itself recognises as unquantifiable.

In conclusion, Endre observes that the other significant indicator of the co-existing commitment to the market is the abandonment of Commonwealth government intervention in the market place through Resource Security Legislation, particularly in the forestry industry, because industry interests regarded ESD as a better vehicle for its ambitions because it was likely to deliver their goals, without the need for intervention.[365]

Corporatist Analysis of ESD

The most comprehensive analysis of ESD in Australia has been provided in two related papers by McEachern. Central to his argument is the notion that ESD and other institutional approaches to resource management and environmental political conflict are essentially corporatist in nature. McEachern argues that the key focus of corporatism within policy frameworks are *representation, negotiation* and *intervention*. The movement from 'conflict' to 'policy making' through representation, negotiation and

[364] The RAC was a 'victim' of budgetary constraints and the need to send a political message to stakeholders regarding government priorities, largely economic. In the 1993-94 Keating government budget, RAC was effectively abolished when its funding was withdrawn.
[365] H. Endre, 'Legal Regulation of Sustainable Development in Australia: Politics, Economics or Ethics' *Natural Resources Journal*, Vol. 32, No. 3, Summer, 1992, p. 507.

intervention, essentially defines who - stakeholders - and what - issues - are legitimate within that policy framework.[366]

Representation flowed from the significance government - particularly the Hawke-led Labor government - attached to the continued conflict that arose in this policy arena and the need to resolve that conflict; negotiation emerged from the differing assessments drawn from what political advantage could be gained or lost through a process of negotiation and co-operation.

McEachern asserts that environmental policy always involves forms of government intervention since economic activity unfettered by imposed environmental concern rarely produces ecologically sustainable outcomes. In producing the concepts of 'sustainable' or 'ecologically sustainable' development, two issues associated with intervention are frequently discussed. The first deals with the different, acceptable ways in which governments can interfere with property rights and economic development in the name of 'ecological sustainability'. The second involves debate over decision-making and conflict-avoiding mechanisms to *routinise* what happens when environmental and economic priorities collide.[367] Corporatist approaches are often

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[366] D. McEachern, 'Environmental Policy in Australia 1981-91: A Form of Corporatism?' *Australian Journal of Public Administration* Vol. 52, No. 2, June 1993, pp. 176-177.
[367] ibid. p. 179.

predicated by the move toward institutional approaches to conflict resolution.

McEachern argues that corporatist approaches through their reliance on incorporation, assimilation, and adaption, give rise to a number of outcomes:

- venues and processes are dominated by institutions and representatives of the state;
- stakeholders who do not consider consensus to be either appropriate or achievable are isolated as dissidents within the process and their own constituencies. For example, the Wilderness Society & Greenpeace who left the ESD process, leaving environmental issues to the designated peak body, the ACF;
- the socially critical discourses of ecology and environmental concern are taken and turned into legitimate, acceptable, non-threatening discussions about existing economic and resource development practices. This has the added political advantage of making the issues 'electorally safe' for mainstream political representation;
- adaptation and assimilation combined to involved a consideration of the evidence of environmental damage drawn from the arguments of environmental concern. This provided a legitimacy for those concerns where previously their existence were largely ignored or contested;

- although the approach to environmental policy sought to find common ground - in the case of ESD, between business and environmentalists - these processes occurred within the confines of the dominant relations between business, labour and the state constructed around a particular form of developmental consensus.[368] The response to environmental concern was negotiated as an adjunct to the workings of that consensus and not as either a replacement for it (which is what the claims for 'ecologically sustainable development' implied) or a redefinition of its principal assumptions.[369]

McEachern's analysis is supported by the work of Downes. Downes, too, evokes a neo-corporatist framework of analysis to emphasise the political significance of co-opting peak groups into policy processes, especially if those groups had the capacity to challenge the legitimacy and growth imperatives of the liberal democratic state.

According to Downes:

> Neo-corporatist theory can be extended beyond its traditonal concern with functional, production-based interests to include organisations with the capacity to disrupt the

[368] McEachern develops this argument further in: D. McEachern, *Business Mates: The Power and Politics of the Hawke Era*, Prentice Hall, Sydney, 1991.
[369] D. McEachern, 'Environmental Policy in Australia 1981-91: A Form of Corporatism?', *Australian Journal of Public Administration* Vol. 52, No. 2, June 1993, pp. 180-182.

production process and with the organisational maturity to negotiate in a neo-corporatist structure. Peak environmental organisations were included in the ESD process because of their potential to disrupt the successful implementation of development policies, a power comparable to business and labour's threat of strike.[370]

How does corporatist analysis specifically apply to ESD?

McEachern accepts that the Hawke government was intent on adopting a pro-active response in this difficult policy arena to reassure the business and investment sectors of its commitment regarding the larger micro and macro economic reform agenda in the light of previous policy/project disasters, notably Wesley Vale.

ESD, according to McEachern's analysis had essentially one purpose, to take the environment off the active political agenda by routinising procedures - adopting institutional approaches - for resolving the environment versus development conflict.[371]

Endorsement by the Working Groups of the ESD documents for various industry sectors at least indicated a shared commitment to dealing with environmental problems in a cooperative framework. McEachern supports the view of Jolly and McCoy (see

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[370] D. Downes,'Neo-Corporatism and Environmental Policy', *Australian Journal of Political Science*, Vol. 31, No. 2, 1996, p. 187.
[371] D. McEachern, 'Before and Beyond Ecologically Sustainable Development' Paper Presented to Australian Political Science Association (APSA) Conference, Monash University, Melbourne, 1993, p. 8.

earlier in this Chapter) that the *form* (or framing) of the policy process was a significant part of the ESD exercise and was, perhaps, as important as the draft documents and the concepts they articulated.[372] The *form* of the process largely addressed the thorny issue of political conflict and its potential resolution through the adoption of a consensus model of decision-making. As such the concepts that emerged from the ESD process in the form of goals, objectives as principles, played an *educative* and distinct from *directive* role in promoting a new, ecological version of sustainable development.[373] In this sense it had some capacity to influence 'policy learning'.

McEachern identifies a number of themes within his analysis of the ESD process:

(1) The ESD reports tend to take the scope for environmental damage 'relatively' seriously. There is very little room for claims that economic development in the past had no harmful impact on the environment. This represents a considerable concession on behalf of developers who historically had tended to deny such a linkage.

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[372] ibid.

[373] It is worth emphasising that in some Sectoral Groups, notably fisheries, where the 'environmental degradation of wild fisheries' was a shared experience of fishers, environmentalists and bureaucrats, the capacity to 'operationalise' the forum/process was more successful. As a consequence of this 'more ready and able' response to the process and the issues being addressed, the ESD outcomes are more substantive particularly in relation to legislative responses to 'management' of wild fisheries.

(2) ESD accepts that proposals for new developments raise the prospect of possible environmental damage as an unintended consequence. Hence, most suggest that new projects should not proceed without detailed studies to establish 'base-line' data from which the impact of economic developments can be measured. The focus on 'base-line' data was a significant response to the lack of such information in the Wesley Vale project. There, EIS's were being 'prepared' without any previous data on the existing environment, especially the region in the Bass Strait that was to be the depository for organochlorine effluent. As a result any suggestion as to possible impacts were merely guesses, however, well or ill-intentioned.

(3) Most reports which deal with land use and the possibility of harm being done to particular ecosystems or habitats, recommend the creation of an expanded set of 'representative' reserves to ensure that examples of all major habitats are separated out and protected from development. This approach became known as the 'museum' approach where protected corridors are established in an attempt to manufacture a sense of bio-diversity. The extent to which these corridors are sufficient to provide sustainability for species is problematic.

(4) Land use management focus is on 'multiple use'. This proposal is drawn from the concerns of the mining and forest industries over attempts to restrict access to land, specifically the suggestion that: 'environmentalists lock up the land'.

(5) Most of the ESD reports seek to promote the use of market-like instruments to encourage proper balance between the needs of economic production and environmental restraint. Various reports spend time explaining the inconsistent and inefficient consequences of regulation and prohibition in achieving desired environmental goals.

(6) All ESD reports made recommendations about the need to find ways to resolve, or at least routinise, political disputes between environmental concern and economic development. What is being sought here are ways to take the politics, unpredictability and conflict out of the environmental disputes.[374] There was also the added political incentive of removing that conflict from the site of contestation - particularly the highly visible and hence media focused, forestry disputes, that attracted large numbers of protesters, particularly in Tasmania and the Gippsland region of Victoria. To bring the dispute back into the comfortable and familiar surrounds of the agencies of the state was a key political goal.

McEachern concurs with the view that it was the hope of the ESD panels, and the politicians who initiated the proposals that, having negotiated and agreed to the rules all participants would then be committed to work within them.

McEachern provides a succinct analysis:

> It seems as if those who drafted the reports (ESD Sectoral Reports) believed that the ESD process would provide the means to ensure that environmental damage would be *minimised*, economic growth *maximised* and that environmental concern would be harnessed to improve the *productive efficiency of economic development* and that the *political impact* of environmental concern could be kept to acceptable and manageable proportions...
> ESD was a *symbol* of *political concern*; the details on how economic and environmental considerations could be integrated was entirely secondary.[375]

The successful corporatisation of the ESD process is implicitly endorsed by the observations of Harris and Throsby, chairs of the ESD Working Groups:

> One of the remarkable outcomes of the ESD process as it unfolded was the extent to which Working Group members could find common ground. Despite the fact that many came to the process with strongly held views about relative priorities in the environment and development debate, the initial process of agreeing on the ESD principles provided a basis upon which divergent positions could be seen in perspective; as a result, it frequently emerged that there was more uniting than dividing Group members representing different constituencies. Although there were of course many heated arguments along the way, and by the end not all divergent views can be reconciled, there emerged a clear sense of joint ownership of the broad outcome, and a recognition that the concept of ESD did indeed provide a basis for integrating ecological and economic values, so that agreement on common goals and on ways of achieving them became more feasible.

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[374] D. McEachern, 'Before and Beyond Ecologically Sustainable Development' Paper Presented to Australian Political Science Association (APSA) Conference, Monash University, Melbourne, 1993, pp. 16-20.
[375] ibid. p. 21, & p. 24.

> At the end of the process, when recommendations had to be formulated, the desirability of maintaining a consensual approach was strengthened by the realisation that divided recommendations would have less chance of being accepted and could even be seen as an indication of failure of the process. In the event most Groups were able to live with an agreed set of recommendations, with the number of split recommendations being reduced to only a small handful. The Group members acknowledged that their policy prescriptions would only be taken seriously if they had the support of the full Group, and although not all members necessarily fully endorsed every recommendation, they were generally willing to allow the recommendations to go forward as having the consensual support of the Group.[376]

Harris and Throsby whilst acknowledging the potential for the search for consensus to produce recommendations that are watered down to the lowest common denominator to become vague and general rather than sharp and specific, reject the claim that this occurred within the ESD process.[377] Their defence of the process is weak. However, given their positions within the process, it is understandable:

> Whilst it is always possible to see areas where stronger recommendations could have been possible (for example, the energy-related groups could not reach agreement on recommending the imposition of a carbon tax), those policy initiatives and recommendations which *were* agreed to can be seen as comprising a substantial package of measures that, if they were fully implemented even now, would

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[376] S. Harris and D. Throsby, 'The ESD Process: Background, implementation and aftermath' in C. Hamilton and D. Throsby, *The ESD Process*, Academy of Social Sciences in Australia & Graduate Program in Public Policy, Australian National University, Canberra, 1998, pp. 8-9.

[377] ibid. p. 9. However, this rejection is contradicted when the authors describe the Executive Summaries of the Working group Reports in the following terms: '...they tended to become lowest-common-denominator accounts which could not convey all the subtleties, nuances and qualifications that had characterised the consensus-reaching process.' (p. 10)

> undoubtedly move the industries concerned closer to ecological sustainability.[378]

ESD's fate, according to McEachern, was to be lost in a maze of bureaucratic rivalry and inter-governmental negotiations. This was particularly so after the establishment of the ICESD. Throsby and Harris indicate that members of the Working Groups were concerned that once the Reports were received by government 'nothing further would happen'.[379] They were concerned as to the lack of institutional arrangements that would ensure follow-up and implementation:

> We considered two procedural steps in particular to be crucial. First, we recognised that implementation at government level would be in the hands of officials. We were conscious of the fact that the level of understanding of all the issues that had been reached by those officials who were involved as participants in the ESD process was exceptional and well ahead of that generally held by officials in either State or Federal bureaucracies. We believed it would be important for those understandings to be internalised by those associated with environmentally related policies. Hence we made strong recommendations for a series of seminars for senior officials in order to pass on that understanding. Second, it was our strong view that formulating the conclusions and recommendations to put to Commonwealth and State Ministers would need to be handled initially by a secretariat, preferably involving officials who had been associated with the process. We specified, however, that it should have a sunset clause of perhaps six months.
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> Neither happened. With the departure of Bob Hawke as Prime Minister and the succession of Paul Keating, the ministerial interest disappeared. While not without an

[378] ibid.
[379] ibid. p. 13.

> interest in the environment, Paul Keating did not share the consensus approach of Bob Hawke and he was also keen to distance himself, at least in the early days in office, from any Hawke initiative. We had hoped and expected that DASETT would take the opportunity to take the process in hand and build upon it. DASETT, however, was against any institutionalisation even for a limited period beyond the end of the process. The consequences were that the follow-up to the reports fell into something of a hole.[380]

ESD had no prominence in any of the policy statements of the Keating government in 1992-93, nor did it feature centrally in the most significant policy statement in 1994,*Working Nation.* This is important because it is indicative of the influence political leadership plays, particularly in policy implementation.

ESD under the Keating Government: McArthur River, *One Nation,* and *Working Nation*

With the arrival of the Keating government[381] there is significant evidence that ESD was to have little impact on ongoing policy approaches to existing resource management regimes. As mentioned previously, Keating wanted to re-establish the economy as a priority and within the *One Nation* statement he was able to lay the foundations for that focus. Whilst *One Nation* was first and foremost a policy response to the Liberal Opposition's *Fight Back* proposal, *One Nation* had some important implications for environmental policy in Australia. At the substantive level, *One*

[380] ibid. pp. 13-14.

Nation incorporated two significant initiatives, firstly the IGAE and secondly, the launching of the Major Project Facilitation Unit (MPFU).

The case of the McArthur River mine project in the Northern Territory is an important indicator of the extent to which the ESD process was to influence the parameters of project management. Given the timing of its approval process, the McArthur River project should have, and could have been the benchmark for a new environmental policy regime in Australia that established ESD as the foundation for resource management practices and policy implementation. In the end, this project merely reverted to the *ad hoc* responses that had dominated co-ordinate Federalism in the 1970s and 1980s. As a showpiece for what ESD could deliver, it was a profound failure at a number of levels and in its own way demonstrated the domination of the 'political' over the 'rational', the *polis* over the 'rationality project'. Its failure made a mockery of the ongoing ESD process as an integrated approach to resource management. As such, it is worthy of closer attention.

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[381] Keating replaced Hawke as leader of the Labor government in December, 1991.

The McArthur River Mine and Resource Management Regimes

Introduction

Given that Australian environmental policy underwent a number of fundamental changes during the period 1990 – 1993, it is worth reiterating the significance of the McArthur River project within a number of contexts, including political leadership and electoral considerations. It provides another opportunity to test Dryzek's hypotheses relating to liberal democratic states and their legitimising imperatives by way of policy responses to the political challenge of environmentalism.

More specifically, the significance of the McArthur River project is that it evolved during the Ecologically Sustainable Development (ESD) process; the Intergovernmental Agreement on the Environment (IGAE) and; the *Native Title Act.* It provides a unique opportunity to unmask the rhetoric of ESD, enshrined within the IGAE, and examine the political realities that pertain to Australian environmental policy, post Wesley Vale and post Hawke. In particular, the McArthur River project provides an insight into how the IGAE framework might operate in a highly proactive policy environment as distinct from the *ad hoc* and reactive approaches that had prevailed in Australia prior to Wesley

Vale and Coronation Hill. This changing policy context was accentuated by the change of leadership in the Labor government which saw a marked shift in governmental priorities in relation to environmental outcomes and approaches to resource management. However, if ESD was to be benchmarked as a set of policy principles, the McArthur River project was an ideal option to encapsulate those principles.

McArthur River Mine - Background[382]

The McArthur River zinc-lead-silver deposits were discovered in 1955. These deposits are situated within and near the McArthur River which flows 120 kilometres to the Gulf of Carpentaria, crossing the Barkly Tablelands, in the Northern Territory. Mount Isa Mines (MIM) secured the leases to the deposits in 1959.

There is an estimated 220 million tonnes of ore, to be extracted over 20 years. It is a $250m project which commenced in early 1993. It is expected to generate between $200-300m per year of

[382] The purpose here is to place McArthur River in a broader policy perspective particularly as the project is potentially indicative of a devolved role for the Commonwealth in relation to environmental legislation and regulation. As a consequence I have relied heavily on the work already produced on the detail of the mine project. This work has been pivotal to my understanding of the project and I wish to acknowledge this fact and recommend Phillip Toyne's essay on the project to those who want to know the full extent of the story - see P. Toyne, 'The Story of the McArthur River Mine' Chapter 9 in P. Toyne, *The Reluctant Nation - Environment, law and politics in Australia* ABC Books, Sydney, 1994.

export revenue and provides for 250 jobs. The first lead-zinc concentrate commissioning began in May 1995. This is underground extraction of high quality ore. August 1995 saw the first export shipment. In September, 1998, MIM announced that despite some difficulties with regrind capacity and ongoing problems with the blocking of discharge grates, the mine is now approaching its target of 350,000 tonnes of mixed concentrate a year, containing 160,000 tonnes of zinc, 45,000 tonnes of lead and 1.6million ounces of silver.[383] McArthur River mine at full production is potentially the largest lead-zinc-silver mine in the world.

The McArthur River mine was the first significant development project in Australia since the failed Wesley Vale pulp mill in Tasmania. Its approval process required Commonwealth involvement due to a foreign investment component. The project is a joint venture between MIM (70%) and a Japanese consortium - ANT minerals (30%).[384] Commonwealth involvement was secured through a 1990 bi-lateral agreement between the Commonwealth and the Northern Territory governments. There was general support for the project within government circles as it was considered to be a project of national importance. However, a range of issues emerged, including environmental concerns and social

[383] Mount Isa Mines (MIM) Holdings Web Site:
http://www.mimholdings.com.au/3McArinfo.html, September, 8th, 1998.

justice issues relating to indigenous rights that complicated matters and raised serious questions about the legitimacy of the processes leading to the projects approval. The project faced intense scrutiny in relation to the Mabo High Court decision (1992) and deliberations leading up to the *Native Title Act.*[385]

The McArthur River mine project evolved at a time of significant developments in relation to resource management strategies in Australia. It emerged at the same time as the Ecologically Sustainable Development (ESD) process was finalised into the National Strategy for Ecologically Sustainable Development (NSESD). This was endorsed in December, 1992 by the Council of Australian Governments (COAG). The ESD process had begun in 1990 and 'sustainable development' had been on the policy agenda some years earlier. The NSESD followed on from the Intergovernmental Agreement on the Environment (IGAE), announced in the *One Nation* statement on 26 February, 1992 and concluded in May, 1992, hailed as an important outcome for a new co-operative federalism. The NSESD, endorsed by COAG on December 7, 1992, made 88 recommendations in relation to the mining sector. It is worth re-emphasising that the NSESD

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[384] ibid.

[385] The *Mabo* High Court decision recognised for the first time the occupation by indigenous of Australia prior to European settlement. Up until this 1992 case, Australia had been declared *terra nullius,* an empty wilderness belonging to no one. The High Court decision compelled the Australian government to introduce *Native Title* legislation.

contained the following escape clause: 'implementation would be subject to budgetary priorities and constraints on individual jurisdictions.'[386]

In addition, the McArthur River project occurred at a time when the Commonwealth government was re-assessing its attitude towards resource management. The new Keating government was intent on re-prioritising development and the economy in the light of its broader micro and macro reform agenda.[387] The McArthur River project was to become a beneficiary and model for this new proactive approach in that it was the first project assisted under the newly created Major Projects Facilitation Unit (MPFU) located in the Department of Prime Minister and Cabinet and headed by Parliamentary Secretary, Laurie Brereton. The MPFU was a *One Nation* policy initiative. Brereton's response to the 'success' of projects such as McArthur River and Mt Todd, also in the Northern Territory, sets the scene for why this project is important and remains significant within the context of emerging policy responses to resource management in Australia. Brereton suggested that:

> These results, I know are ones that Australia has been waiting for, for many years, and I would think that they will be a model for years ahead and will guarantee the prosperity of

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[386] Commonwealth of Australia, *National Strategy for Ecologically Sustainable Development*, AGPS, Canberra, 1992, p. 14.
[387] For an account of Keating's response to the focus on ESD within his own department, Prime Minister and Cabinet, see P. Edwards, *Keating: The Inside Story*, Viking, Victoria, 1996, pp. 469-470.

> Australia and, at the same time, make sure that all environmental safeguards are met.[388]

The prospect of continued devolution of Commonwealth involvement in resource management issues, as reflected in the Howard government's legislative response to reforming environment legislation, only adds to the importance and continuing significance of the McArthur River project as a case study.

ESD and McArthur River

The significance of the ESD in relation to the McArthur River project is that it evolved at the same time as the assessment and approval of the project. However there is little evidence of the two year ESD process impacting on the approval process of this project, nor it there much evidence that the ESD principles and objectives specifically addressing the mining sector were incorporated into the evaluation and approval of the project.

Nonetheless, the second ESD mining recommendation clearly demonstrates the extent of the gap between the McArthur River 'story' and the integrated approach advocated by the ESD process, particularly in relation to environmental issues (see

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[388] Australian Broadcasting Commission (ABC) Radio, *PM*, Thursday, Jan 21, 1993

below). The language of the recommendations (*should* as distinct from *must*) emphasises that ESD is indicative rather than prescriptive. This recommendation outlines a series of principles that *should* apply to various decision-making processes in relation to new major mineral resource development projects:

(a) decision-making processes *should seek* to integrate economic and non-economic considerations;

(b) decision-making processes *should be more transparent and open to scrutiny and participation by industry and the public to the greatest extent possible;*

(c) *information should be made available from an early stage* to ensure major issues can be identified and addressed in a timely fashion in project planning;

(d) *the exercise of discretionary powers should be minimised.* Where discretionary powers are judged necessary, the criteria against which the discretion may be exercised should be made explicit from the outset and the processes should provide for a statement of reasons for the decision;

(e) decision-making processes should be embodied in legislation or regulatory arrangements *which include ESD objectives;* and

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Dept of Parliamentary Library, online transcript, 86-4252.

(f) there should be a sensible standardisation of process. *This should not be on the basis of the lowest common denominator.*[389]

The ambiguity and lack of direction contained in these recommendations clearly demonstrates the opening up of a discretionary space which enabled the subsequent contradictions and competing interests to emerge in the McArthur River Mine approval process.

Fast Tracking: IGAE and the MPFU

The IGAE sets out the roles of the parties and establishes the 'ground rules' under which the Commonwealth, State, Territory and local governments will interact on the environment. It included a broad set of principles to guide the development of environment policies and, in a series of schedules, sets out co-operative arrangements that mirror those which formed the basis of the bi-lateral agreement established between the Commonwealth and Northern Territory to oversee the McArthur River project.

Some specific issues addressed by the IGAE are pertinent to the project, particularly in regard to the criticisms that emerged

[389] Commonwealth of Australia, *Compendium of Ecologically Sustainable Development Recommendations*, AGPS, Canberra, 1992, Section 9 (emphasis

during the approvals process. These include a commitment to: a national approach to the collection and handling of environmental data; joint collaborative efforts to facilitate national and environmentally sound land-use decisions and approvals processes; a common set of principles for environmental impact assessment; a co-operative Commonwealth/State/Territory process for developing national environmental standards, guidelines and goals; closer co-operation between governments in preserving the national estate; and co-operative arrangements on a wide range of nature conservation issues.[390]

The establishment of the MPFU flowed directly from the spectre of the failed Wesley Vale project and the Keating government's view that the economy must be re-established as a priority in policy terms. Essentially the role of the MPFU was to fast-track projects of $50 million and more. The official position was that the MPFU was established to assist developers in ensuring that various elements in approval processes were handled simultaneously, rather than sequentially. The Prime Minister's Parliamentary Secretary, MP Laurie Brereton, was given the task of making sure there was no duplication in the assessment of major projects. It was widely reported that MIM executives met with Brereton in Canberra the day after the announcement of the

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added)

establishment of the unit and as a consequence, McArthur River was seen to be the first project sanctioned under the 'fast-track' provisions facilitated by the MPFU.[391]

The McArthur River Mine: Analysing the Issues

Environmental Issues: The inter-governmental process and the environmental impact statement (EIS)

The environmental issues centre principally around the shallow marine areas of the coast adjacent to mouth of the McArthur River and the islands in its estuary. Environmental concerns focus principally on the potential for long-term, heavy-metal pollution from the mine that is in the McArthur River and also from the McArthur River port marine loading facility in the Gulf of Carpentaria. In addition, the construction of the port facility threatened the extensive sea grass beds that are important for dugong and turtle populations. These species are also important to the maintenance of the day to day lifestyle of the traditional owners. There is also a potential pollution threat to the barramundi and tiger-prawn fishery in that part of the Gulf.[392] Because the ore is transferred by barge to off-shore shipping facilities one of the

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[390] Council of Australian Governments (COAG), *Intergovernmental Agreement on the Environment,* AGPS, Canberra, May, 1992.
[391] P. Toyne, *The Reluctant Nation - Environment, law and politics in Australia,* 1994, p. 160.
[392] ibid. p. 154.

principal environmental concerns is that a spillage caused by accident or cyclone-effected waters would cause serious environmental impacts. The fear is that any significant loss of ore could create a toxic cocktail in the marine environment and enter the food chain.

The environmental impact assessment required under the Foreign Investment Review Board (FIRB) was facilitated by the two governments - Commonwealth and Territory - under a 1990 bi-lateral agreement. This agreement provided for a hybrid assessment, combining some of the measures of each government's EIS legislation and practice.[393] The interest here was how this assessment was to be facilitated and to what extent the Commonwealth would prevail if conflict emerged. This jurisdiction conflict had been at the heart of the Wesley Vale controversy.

This is significant because the bi-lateral agreement could be seen as a precedent, a model, for the IGAE, endorsed in February 1992 and coming into effect in May of that year. The bi-lateral agreement established several elements that were to be in-corporated in the IGAE. Firstly, in an attempt to overcome areas of duplication, it had an emphasis on co-operative, as distinct from co-

[393] ibid. pp. 155-156.

ordinate approaches to Federalism. Secondly, it established a process of further devolution of responsibilities away from the Commonwealth to the States and Territories.

The initial advice that the Federal Minister, Ros Kelly, received from her department was to follow the Northern Territory (NT) assessment process as 'there is no reason to suggest that the NT process will not meet the Commonwealth requirements.'[394] This decision was taken on 16th April, 1992, a month before the IGAE came into effect, and the NT was so advised.[395] The significance of this decision was that despite concerns with the NT legislative process it reflects the general thrust of the intentions associated with the establishment of the MPFU only two months earlier. In fact, the NT Conservation Commission (CCNT) had directed MIM to prepare an EIS for the project under the NT Act, a week earlier on April 7, 1992.[396]

This EIS was prepared in just over a month and released on May 23 with only a 30 day public response period.[397] The draft EIS met with vigorous criticism. One of the substantive government responses to the EIS tends to mirror most of the major concerns.

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[394] ibid. p. 157.
[395] ibid. p. 159.
[396] ibid. p. 161.
[397] ibid. p. 162.

The Australian National Parks and Wildlife Service, pointed to a number of deficiences in the draft relating to:

- transport methods for the ore;
- monitoring programs;
- potential contamination from the fine-grained nature of the ore;
- potential for lead poisoning in Aboriginal people from hunting marine mammals;
- lack of baseline studies;
- safe mooring in the event of cyclone activity;
- dredging the channel through the seagrass beds;
- complying with international obligations to provide habitat protection for five of the six species of turtles in the region as well as the dugong under the Bonn Convention;
- inadequate description of the environment of the area of the loading facility;
- the impact of the proposed de-watering system.[398]

A central criticism of the EIS was its support for the establishment of the marine loading facility in the fragile sea grass ecosystem. The criticism centred on the inadequacy of base-line studies to enable a proper determination of the impact of this facility. There was simply a lack of quality data, no core samples

[398] ibid.

were taken nor any adequate surveying in an area that was to be subject to dredging. Dr Sam Lake, marine ecologist, Monash University was highly critical of the EIS:

> The data is of low taxonomic quality... I would suggest that the data is not of sufficient quality to allow you to form a good baseline survey, let alone use that data to design some form of reliable, ecologically sensitive monitoring program.
>
> If this EIS is going to be, and this project is going to be held up as a good example of rapid fast track assessment...in terms of detecting potential impacts on the environment, the procedure seems to be very crude indeed. I mean, no details are given so that you have any sense of ecological security as to whether the mine is going to damage the system or not.[399]

The critical linkage between the fast-track provisions and the inadequacy of the EIS extended to concerns about the implications this arrangement had for the implementation of the IGAE, that would presumably oversee future resource projects. Under the bi-lateral arrangement established to oversee the McArthur River project three critical issues emerged. Firstly, the extent and quality of the scientific data that formed the basis of the EIS. Secondly, the lack of transparency in the NT approvals process and thirdly, the extent to which Commonwealth appeared to wash its hands of responsibility when concerns were raised about the adequacy of the approvals process.

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[399] ABC radio, *PM* Thursday, Jan 21, 1993 Dept of Parliamentary Library, online transcript, 86-4252.

Mike Krockenberger, bio-diversity co-ordinator for the Australian Conservation Foundation (ACF) made the following criticisms:

> What the fast tracking has done in relation to the intergovernmental agreement on the environment is to simply delegate the Commonwealth responsibilities to, in this case, the Northern Territory. What they did was they said to the States and the Territories, through the IGAE, we are prepared to give full faith and credit - and that was the terms used - to your process. In other words, we will recognise your processes. We will not intervene in your processes, and we will enable major projects to go ahead through your processes, and we'll stand back and simply give them a tick.
> ... some States and Territories do not have the processes that are required to ensure good decision making. And in the case of the Northern Territory, it's issues such as lack of freedom of information legislation, the lack of a Land and Environment Court, or an environmental protection authority or agency, basically the lack of checks and balances that is the main problem. And more specifically, in the case of the McArthur River, a lot of the things that should have been done in terms of an environmental impact statement up front were simply pushed to a post environmental impact statement situation.[400]

This assessment was supported by policy analysts working in environmental law. Rob Fowler, Associate Professor of Law, University of Adelaide commented that:

> ...if this is the way the Commonwealth process is going to apply whenever a project is deemed to be urgent in the future, in effect it's worthless, because the Commonwealth simply sits back and says to the State or the Territory concerned: Look, you go about your business of assessing this, and we'll essentially just watch you and probably we will accept the outcomes of your process.[401]

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[400] ibid.
[401] ibid.

On July 17, MIM released a 'Supplement to the Draft Environmental Impact Statement' which addressed comments received on the draft EIS. This supplement and the draft constituted the final EIS.[402]

On the 16th November, 1992, MIM and its Japanese partner gave the development the go-ahead. This agreement had its legislative outcome in the *McArthur River Project Agreement Ratification Act 1992*. This Bill received royal assent on December 1, 1992. On January 5 1993, the NT Minister for Mines and Energy issued a 25 year mining lease to MIM. The entire process had taken less than twelve months.[403]

Laurie Brereton, MHR, and Head of the MPFU, defended the process:

> If you look at the McArthur River zinc mine, you found that in the process of assessment, the loading facilities were moved from the McArthur River itself to a new port constructed in the gulf. There was a whole new process for guaranteeing the water at the mine did not spill into the McArthur River. A whole road was constructed around the township of Borroloola for environmental reasons. In addition to all that, of course we had a great study on the native dugong population.[404]

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[402] P. Toyne, *The Reluctant Nation - Environment, law and politics in Australia*, 1994, p. 163.
[403] ibid. p. 167.
[404] ABC radio, *PM* Thursday, Jan 21, 1993 Online transcript 86-4252.

Toyne concludes that rushed approval process for the McArthur River project indicates that economic imperatives overrode any substantive environmental concerns. These outcomes were exacerbated by the adoption of a fast-track process endorsed by the Federal government. His concerns that this approach, the fast-tracking of a number of additional projects under the MPFU, may become the norm rather than the exception are prophetic:

> It is not clear how many of these are resource projects, tourism projects or others that might require Federal Government approval or EIS evaluation. It is reasonable to assume there will be many and that is deeply worrying when the McArthur River has proved to be such a flawed illustration of the procedures invoked to date. It should not stand as an adequate precedent for the future.[405]

Indigenous Issues

Another key issue in the approval process of the mine was the process of negotiation with the Indigenous owners of the mine site. As Toyne makes clear, the Yanyuwa, Mara, and the Kurdanji people have strong cultural and religious interests in both the mine area and the coastal site of the port. Their attachment to the land was indicated through an unsuccessful claim under the Commonwealth's Northern Territory *Land Rights Act (1976).*[406]

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[405] P. Toyne, *The Reluctant Nation - Environment, law and politics in Australia,* 1994, p. 174.
[406] ibid. p. 155.

The marine species most likely to be affected by the project form a significant part of their food supply.

The High Court's recognition of native title, the Mabo case, (June 1992) occurred just as the mining company and the local people had reached agreement on the mine going ahead. Negotiations failed to reach agreement over compensation and the subsequent threat of a Mabo-style claim led the company to deliver an ultimatum: secure title by July 1, 1993 or the project would be scrapped.

The Mabo High Court decision produced nervousness amongst the developers especially with regard to the security of their titles. In response to these concerns, on May 23, 1993, the NT government introduced a Bill to amend the *McArthur River Project Ratification Act 1992* to validate leases and simply provide compensation for native title holders who might subsequently be found to be disadvantaged.[407] The intent of this Bill was to extinguish native title in the interest of confirming the mining leases and securing the future of the project. This Bill created tension between the NT government anxious to secure the project and the Commonwealth government who had to grapple with supporting the project and working through its response to the

[407] ibid. p. 169.

Mabo decision. Prime Minister Keating was fully aware of the dilemmas facing his government:

> Were the project not to proceed, you can imagine the noise which would be around. People would be saying 'Well, here's Mabo at its first blush a $300 million project hits the fence'. You'd have the worst elements of conservative interests in this country up there blackguarding the Mabo decision and all it stands for. So what we're doing is doing no more than the Aboriginal community offered us, that is, a validation of these titles, protecting its revival, allowing a discussion about just terms, getting it off the stocks so it doesn't complicate the broader Mabo principles.[408]

Lawyer, commentator, and spokesperson for the Catholic Centre for Social Research Action, Frank Brennan made the observation that:

> What you have there is a major mining project where all parties are agreed that it would be a good thing for the mine to proceed. Mining leases had been issued by the Northern Territory Government under Northern Territory legislation prior to Mabo but because of some of the legal advice around, and with excess of scrutiny of Japanese investors, it's been said that there's a need to legislate again and to re-issue the leases. Now the Aboriginal groups have fairly been saying: Well, if you want that degree of certainty, and in doing so, if you're extinguishing our rights you should at least contemplate the Commonwealth solution which is that you have minimal interference with our rights, namely that you suspend our rights for the duration of the mine but once the mine has completed that our rights be restored and that we be allowed to restore a traditional relationship with the land...[409]

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[408] ABC radio, *AM*, Tuesday, June 1, 1993, Dept of the Parliamentary Library, online transcript, 87-1424.
[409] ABC radio, *Daybreak*, Monday, May 31, 1993, Dept of the Parliamentary Library, online transcript, 87-1416.

In short, the Commonwealth supported the validation of leases but not, as requested by the NT government, the extinguishment of native title. The Prime Minister indicated the Commonwealth would reserve its right of remedial action with reference to the wider Mabo context. The subsequent Commonwealth *Native Title Act*, passed in December 1993 gave effect to the validations, providing for the suspension of the native title interest, compensation for its impairment, and for its revival at the completion of the mining.[410]

The Northern Land Council (NLC), felt that the Indigenous people had been removed from the negotiations at a critical period and urged the Commonwealth to intervene and facilitate a broader settlement between traditional owners, the mining company and both governments. Wes Miller, NLC, speaking on behalf of the traditional landowners in the area, made it clear what the range of claims included:

> Well, we've been talking and holding consultations with them. There's a range of things they want: land, environmental issues, site protection. They want employment, economic development, opportunities...[411]

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[410] P. Toyne, *The Reluctant Nation - Environment, law and politics in Australia*, 1994, p. 170.
[411] ABC television, *Lateline*, Thursday, June 24, 1993, Dept of the Parliamentary Library, online transcript, 87-2415.

In November 1993 the Commonwealth purchased a pastoral lease for the Kurdanji paying more than $1.7 million. In addition, $1.5m was committed to the establishment of a Employment and Enterprise Development Plan for Borroloola, the closest settlement to the project site - some 50km away. In return, the Aboriginal groups involved agreed to forego any claims to compensation they may have been entitled to against the Commonwealth arising from any native title interest.[412]

MIM's contribution included a January 1994 contract to transport the ore by barge to a joint venture comprised of the Aboriginal and Torres Strait Islander Commercial Development Corporation and Burns Philp Shipping. This meant that the local Yanyuwa people could eventually secure 50% of the barging business by buying back the CDC's stake.[413]

Discussion

It is important to reiterate that the McArthur River project took place within the context of a number of significant environmental processes and conflicts and consequent policy shifts. The project emerges from a background dominated by the Resource Assessment Commission's (RAC) assessment of Coronation Hill,

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[412] P. Toyne, *The Reluctant Nation - Environment, law and politics in Australia*, 1994, p. 170.

the failure of that project and the failed Wesley Vale project. It marks the beginning of the two year ESD process; a change of political leadership at the highest level and the subsequent elevation of the economy to centre stage in policy issues. This saw the prioritising of development within the development/environment discourse, illustrated by the signing of the IGAE and the announcement of the *One Nation* statement together with the establishment of the Major Project Unit within the Department of Prime Minister and Cabinet (DPM&C).

All these processes and conflicts should have provided sufficient impetus for the development of pro-active, integrated approach to resource based management issues, processes and planning legislation. This constitutes the goals of the entire ESD process and represents the consensual framework that drove the process in the first instance and secured broad commitments from participants.

McArthur River represents the complete opposite of this goal and process. Some commentators have suggested that the fast-tracking of the McArthur River project can be seen as an important political strategy for the Keating government in that it provided an opportunity for the government to improve its pro-development

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[413] ibid. p. 171.

credentials by way of 'paying back' the mining sector for the loss of Coronation Hill.[414]

The significance of the McArthur River project is that it can be seen to be a dry-run for the devolutionary processes incorporated within the IGAE and driven by the fast-tracking facilitation of the Major Projects Unit. It is possible to argue that the Commonwealth was able to make the EIS process for example, more transparent than it might have been in the past in the NT. This is a positive. However, its effectiveness has to be judged against the outcomes. For example, as Toyne highlights, the sanctity of such a process was undermined by the fact that after the go-ahead was given, under the provision of the EIS, the proponent decided to locate the port three kilometres up the coast from the site designated in the EIS.[415]

The McArthur River project, the most important resource project post Wesley Vale, didn't demonstrate any 'policy learning' capacity in relation to the fundamental EIS failures exposed during the Wesley Vale dispute. Central to the Wesley Vale project's failure in relation to EIS, was the recognition that unless base line studies are done prior to the project it is simply impossible to

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[414] S. Jackson, & D. Cooper, 'Coronation Hill Pay-back, the Case of McArthur River', *Arena*, October-November, 1993, p. 20.
[415] P. Toyne, *The Reluctant Nation - Environment, law and politics in Australia*, 1994, p. 172.

determine or even estimate the impact of a project on the immediate environment.

In the case of Wesley Vale this was fundamental to examining effluent disposal in the Bass Strait. If nothing was known of the base line environmental conditions into which the effluent was to be dispersed then no determinations could be ascertained as to the impact of effluent, particularly effluent that carried organo-chlorine's. Subsequent to Wesley Vale, the Commonwealth government engaged the CSIRO to undertake the appropriate research into tidal patterns and bio-diversity within Bass Strait so that future projects could call upon those baseline studies in preparing EISs. This research not only constituted the framework for Commonwealth guidelines for future kraft chlorine pulp and paper mill projects but also set the parameters for what might constitute thorough and proper preliminary requirements for legitimising EISs for large industrial projects - namely, the establishment of baseline studies of the intended impact area.

All this disappeared with the McArthur River project. McArthur River was approved and proceeded without any complete picture of the environmental impact risks. Impacts must be assessed prior to approval in order to evaluate the costs and benefits of the project and in order to establish a satisfactory regime for monitoring the project implementation. As Michael

Kronkenberger (ACF) explained, none of this was necessary or justifiable:

> We've seen McArthur River being approved on what really was an extremely poor environmental impact statement, and one that should not have been produced in the 1990s. And let me make it clear here: it isn't an issue of whether that project went ahead or not. We're not talking about a Coronation Hill situation where it was a question of yes or no. It was a question under what conditions that project went ahead, what safeguards were in place for the environment.[416]

As a result, it is problematic that the legitimacy of the process was neither the intention of, nor the purpose of government. The fast tracking of the process under the Major Projects Unit meant that the final approval was rushed through in indecent haste. It is worth re-emphasising that the entire process took less than twelve months.

Conclusion

The McArthur River Mine Project has highlighted a number of significant issues for environmental policy in Australia. Firstly, despite the rhetoric of integration of environmental and development concerns envisaged as the goal of the two year ESD process, the McArthur River Project clearly emphasises that the outcomes are driven by political considerations that reflect a

commitment to the structural imperatives of liberal democratic political systems. When faced with the complexities that arise over resource management issues, liberal democratic governments will rely on the growth imperative to drive the process and endorse a policy strategy that effectively institutionalises political conflict in the short term but has the capacity to revitalise that conflict once the implications are assessed.

Secondly, the McArthur River project raises some serious concerns as to the ongoing adoption of the IGAE as a framework for dispute resolution within the Federal system, particularly if the 'price' of co-operative federalism is a lowest common denominator response at the EIS stage in particular.

Thirdly, although not elaborated upon sufficiently in this limited coverage, the McArthur River project also highlights the importance of political leadership in the context of resource management processes. Simply put, in this case, the elevation of Keating to the position of Prime Minister brought with it a renewed emphasis on growth and a pre-eminence to the economy as a separate entity to the environment, rather than a commitment to the integration of development/environmental concerns. Under Hawke, ESD (albeit as a latent political strategy) - the

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[416] ABC radio, *PM* Thursday, Jan 21, 1993 Dept of Parliamentary Library, online transcript, 86-4252.

institutionalisation of political conflict being its principal political purpose – had the potential to accrue some environmental benefits. That potential dissipated when political support for the ESD process floundered once Keating became Prime Minister. Keating reinstated the economy and economic growth as a priority over emerging notions of sustainable development. ESD disappeared off the political agenda to be once again captured by the bureaucracy particularly within the intergovernmental ESD Steering Committee (ICESD) and reclaimed by the state governments who, under Hawke's endorsement of ESD, had felt marginalised.

Political leadership and the Language of *Working Nation*

By 1994, the political language of the economy was dominating the political language of environmental policy. This is highlighted by the disregard for ESD and its principles evident in the most significant policy document of the Keating government, the *Working Nation* White Paper on Employment and Growth.

Working Nation was the first attempt by the Keating government to address the problem of protracted unemployment. Unemployment in the 1990s had become a long term structural problem in Australia and the dominant emphasis in the *Working Nation* statement is on the role of unqualified economic growth in generating employment opportunities.

The integration of ESD principles and goals into the *Working Nation* statement was almost non-existent. Despite submissions to the government by the Democrats, Greens and various environmental groups suggesting that an emphasis on ESD might be more appropriate than an insistence on growth as a panacea, ESD rated a single mention in the report, appearing as a footnote to industry policy principles.[417]

Government appears as unconvinced as industry that ESD is not only more socially responsible, but is also job-creating. It is clear that the Keating government believed that international competitiveness across all sectors of the economy can only be achieved with a recourse to growth. The much vaunted goals of ESD are devolved entirely to the 'certainties' of market growth. This is clearly stated in the *Working Nation* statement:

> Economic growth is the best way of generating new and worthwhile jobs to meet the needs of an expanding workforce and to make inroads into unemployment. Jobs created by economic growth need no subsidies and contribute to a higher standard of living for all Australians. Economic growth and employment growth thus go together.[418]

The ESD goal suggesting that the social equity issues within and between generations required a complex reappraisal of the

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[417] Commonwealth of Australia, *Working Nation - Policies and Programs*, AGPS, Canberra, 1994 , p. 58.
[418] ibid. p. 1.

linkages between capitalism, the market, individual self interest, the public good and role of government appear to be unequivocally resolved in *Working Nation.* The debate has ended:

> This is a White Paper on employment and growth. We take the view that the two are inseparable; success in one will complement the other. The Paper might even be taken to mark the end of the old debate about economic and social goals. The policies of this White Paper derive from the premise that these goals are indivisible.[419]

The narrow view of ESD that does appear in White Paper is the commitment to employ ten thousand people annually in the Regional Environmental Employment Program.[420] As an attempt to create 'green jobs', it remains a very narrow perspective on the potential employment opportunities. If 'green jobs' are reduced to those associated with projects to reverse environmental already existing degradation, then the capacity of government to confront the much more complex task of integrating regional, industry, trade and environment policies to that end, appears negligible.[421]

Finally, there is the irony of language use, relating to the incorporation of the language of economics into the language of politics. In the White Paper, the word 'sustainable' is linked only to

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[419] Commonwealth of Australia, *Working Nation - The White Paper on Employment and Growth,* AGPS, Canberra, 1994, p. 3.
[420] Commonwealth of Australia, *Working Nation - Policies and Programs,* 1994, p. 172.

growth, meaning as high as possible, not measured against ecological considerations. 'Environment' is referred to as the place where economic and market activity can occur under the 'ideal' conditions provided by micro and macro economic reform, not part of an integrated attempt to address ESD goals.

Conclusion: the Ambiguity of ESD

Ecologically sustainable development is an essentially contested concept.[422]

Although, as Eckersley argues, essentially contested concepts are disputed in terms of their meaning and application they are nonetheless widely enlisted as rallying points in political argument. This is because there is potential for a measure of consensus within a political community that at least some of the ideas embedded in the concept are desirable. As Eckersley points out, it is precisely the 'appealing ambiguity' of essentially contested concepts that ensures their staying power in political argument.[423]

Moreover, as Eckerlsey emphasises not only can ambiguity be exploited to legitimate dubious practices, particularly as they relate

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[421] F. Stilwell, 'Working Nation: From Green to White Paper', *Journal of Australian Political Economy*, No. 33, 1994, p. 110-123, & p. 119.
[422] R. Eckersley, 'Sustainable Development and the Politics of Language', *Canberra Bulletin of Public Administration* No. 69, May 1992, p. 36.

to the negative externalities of the market, evolving as substantial environmental degradation, it can also provide the basis for continuing dialogue between political protagonists who normally communicate at cross purposes.[424]

Most of the traditional analysis of ecologically sustainable development as a policy framework focuses on outcomes vis-a-vis the principles, goals and implementation of the policy process. Within this framework of analysis the key methodological question posed is: why? The most comprehensive analysis asserts that the adoption of a corporatist approach to policy processes best explains *why* a certain type of outcomes came to characterise the process. In addition, this mainstream policy analysis exposes the limitations of the adoption of the 'rationality project' as a model of the public policy process.

Limitations of the 'Rationality Project

Under conditions that require comprehensive policy evaluation, such as is the case with environmental policy, *norm setting* is more basic than *goal setting.* Policy evaluation must be concerned with *process* as much as with *outcomes.* It should also be concerned with the potential for learning, with policy evolution

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[423] ibid.
[424] ibid. p. 37.

and institutional change, than with short-run results.[425] As a consequence the use of the 'rationality project' as a policy tool in the case of a complex and highly contested arena of public policy such as environmental policy has limited success but it has the advantage of highlighting the essential political (*polis*) nature of the process.

In the case of ESD the utility of the 'rationality project' (its close alignment with the market model of society) is exposed as a proposed panacea for public policy processes. Nevertheless, its adoption by the bureaucratic steering system as a policy framework that would deliver 'problem definition', given goals and the application of the 'rational ideal', is persisted with and gives rise to a number of significant components of the ESD process. These include:

- the promotion of cost effective and flexible policy instruments, 'techniques to value environmental resources', such as improved valuation - contingent valuation - and incentive mechanisms;
- the conviction that individuals wish to make their environmental choices through the market place rather than the political process;

[425] M. Majone, 'Policy Analysis and Public Deliberation' in R. B. Reich, (ed.) *The Power of Public Ideas*, Ballinger Publishing Company, Cambridge, Mass, p. 161 & p. 172.

- stakeholders are seen as omniscient, infinitely calculating, egotistical maximisers, where 'rights' are the best incentive for sustainable use of resources;
- market theories within the 'rationality project' promote the assumption that some interests are stronger than others - ones that satisfy the most important needs of the most consumers. These strong interests become the solutions to problems. Their abiding faith is that the good interests are usually the stronger interests, and that therefore the good interests emerge naturally in market transactions, without the 'artificial' protections of government;
- *prima facie* moral and philosophical considerations - aesthetic appeal or ecocentric positions are excluded, or 'considered' as potential 'costs';
- government is reduced to 'umpire' rather than participant, playing at best an educative and indicative role;
- a free market will ensure the collective ideal of social equity;
- the extent of negotiation and co-operation between stakeholders is determined by the potential such a process will advance the larger economic reform agenda, hence the reluctance to embrace a policy framework such as ESD

which is 'strategically' portrayed as an impediment to the reform agenda;

- a program appears 'rational' both to policymakers and interest groups if it has net benefits for specific constituencies rather than society as a whole. This has the ironic effect of a narrowing of 'interests' within the social welfare framework to those that are purely material or economic, for instance the negative potential impact of ESD on employment in the Manufacturing sector (see Chapter Seven);
- the rational ideal supports those who act according to reason, and denigrates those whose decisions are based on raw emotion, unconscious biases, blind loyalty, or momentary passion. It cherishes argument by fact and logic, and canonises the scientific method of discovery. It drives a search for neutral facts, unbiased techniques, and disinterested conclusions;
- rational persuasion is associated with voluntarism. If the people can be educated, they will not need to be coerced or even induced to behave in harmony with their own and the common good ('the facts will speak for themselves');
- the rational ideal presupposes the existence of neutral facts - neutral in the sense that they only describe the world, but do not serve anybody's interest, promote any value

judgements, or exert persuasive force beyond the weight of their correctness;

- the rational ideal offers reason as the basis for government;
- the rational ideal, in sum, offers a vision of society where conflict is temporary and unnecessary, where force is replaced by discussion, and where individual actions are brought into harmony through the persuasive power of logic and evidence.

In sum this approach to policy process is encapsulated in three main variants: cost-benefit-analysis; risk-benefit analysis and; decision-analysis. Within these frameworks, the 'problem' is that 'costs' for the environment are problematic, so the pursuit of 'costs' through the above policy designs, becomes the decision and solution to the 'problem'. This approach has limited appeal to citizens who don't wish to make their political decisions within the confines of the market model.

The point to be emphasised is that an understanding of ESD as a process and the implementation of ESD as a policy required both an analysis and a strategy that reflected the complexity of the competing claims represented by the various discourses that comprised the process. The narrowing of those options through the adoption of the 'rationality project' as both the means and end not only undermined the process but narrowed the potential

implementation tools. The complexity of the competing political discourses present in the ESD process is best explored at a preliminary level in a discourse analysis of the foundation ESD policy document, the ESD Discussion Paper. Chapter Six presents a discourse analysis of the ESD Discussion Paper and in doing so highlights and clarifies the bureaucratic discourse code that initially frames the discussion on ESD and the consequent industry and green discourse codes that emerge in response to the ESD Discussion Paper.[426]

[426] The reference to 'discourse codes' refers to the essential elements – ideas and values – that constitute the various and often competing sector discourses present in the ESD policy development. As such, 'discourse codes' should not be confused with Fairclough's use of the term 'code models' (See Chapter Seven). Whilst there are linkages between the two terms, 'code models' refers to the historical context within which 'discourse codes' may emerge and hence provides a contextual framing of/for those discourse codes.

Chapter Six
A Discourse Analysis of ESD

Introduction

The previous Chapters have argued that the challenge of environmentalism to the liberal democratic state is unique. This gives rise to a number of administrative difficulties for the state. Stone would argue that these difficulties arise because the application of the 'rationality project' is essentially too narrow to meet the complex and competing needs of the *polis*. In Australia that challenge was eventually (after a series of *ad hoc* responses) met with the establishment of the ESD process. The ESD process moved through a series of consultations, discussion papers, draft papers and final reports to form a national strategy (NSESD). Traditional analysis of the ESD process has been presented and evaluated.

This thesis argues that discourse analysis of the ESD process will add a valuable layer of explanation and understanding not only to the existing literature but provides a pertinent tool of analysis for a complex public policy arena such as environmental policy. This Chapter will adopt a policy discourse analysis of the ESD Discussion Paper. Discourse analysis allows for the emerging competing discourses in the policy debate – bureaucratic, industry and green –

to be identified and then followed through the contours of the policy debate around ESD.

Policy discourse analysis with its focus on ideas, institutionalised as discourses within the ESD process – bureaucratic, industry and green – are adopted by the stakeholders in the process. Analysis of the interplay between the discourses in framing notions of ESD inform our understanding of the ESD process in a number of ways.

Firstly, the focus on language will enable the constituent elements of each discourse to be determined and highlighted. These constitute the discourse codes of each stakeholder group and hence frame their response to the ESD process.

Secondly, policy discourse analysis demonstrates the contextual framing of those discourse codes within the ESD process. The policy discourse analysis will highlight the inter-textual discourse contest present in the ESD process and hence highlight the 'unstable equilibrium' (hegemony) that emerged as ESD. These discourse codes will be both present and more closely examined in the deliberations of the ESD Manufacturing Working Group – see Chapter Seven.

ESD Discussion Paper

The ESD Discussion paper was drawn up by a Commonwealth interdepartmental group, chaired by the Department of Prime Minister and Cabinet (DPM & C). As such, it reflects the discursive positions of the participating departments and hence emphasises a range of competing ideas and values around ESD.

Whilst government proclaimed its commitment to the principles of ESD:

> *integrating* economic and environmental goals into policies and activities; ensuring that environmental assets are appropriately *valued;* providing for *equity* within and between generations; dealing *cautiously* with risk and irreversibility; and recognising the *global dimension* [427]

It was the task of this group to suggest 'a number of methods that can be employed to give the concept the *practical* effect in *different sectors* of the Australian economy.'[428]

Clearly, the *goals* of ESD: improvement of individual and community well-being and welfare that does not impair the welfare

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[427] Commonwealth of Australia, *Ecologically Sustainable Development - A Commonwealth Discussion Paper*, AGPS, Canberra, 1990, p. 2. (Please note: that in Chapter Six *italics* are used in quotes and referenced material for *emphasis* unless stated otherwise in the footnotes).

of future generations; the provision of equity within and between generations; recognition of the global dimension; and protection of biological diversity and the maintenance of ecological process and systems,[429] would be framed by the outcomes of the discursive contest between the competing priorities of the participating bureaucratic arms of the state. The Discussion Paper *framed* the future development of the ESD process.

A Discourse Analysis of the ESD Discussion Paper

At the outset, the macro economic parameters are given a prominence within the ESD Discussion Paper. The Discussion Paper suggests that identifiable environmental problems - identified as including air, water and land degradation, loss of species and inadequate waste control, in addition to global problems to which Australia contributes, such as ozone depletion and *potential* climate change - need to be addressed in the context of an economy that is required to undergo far-reaching restructuring unless material living standards are to decline in the future.

There is a very early suggestion of a dominant economic imperative, a bottom line, within the competing discursive

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[428] ibid. Foreword.
[429] ibid.

imperatives, economic, social and environmental. The paper stresses:

> The Government envisages that there will be the need for more processing of our natural resources in Australia as part of that restructuring. We need to think now about how our material living standards and quality of life can be enhanced for both present and future generations.[430]

Standard of living is used here in a broad sense. It is thus more akin to the notion of quality of life. Relative values are important and increased community pressure has convinced government that a sustainable development strategy must recognise that:

> In pursuing material welfare, insufficient value has often been placed on the environmental factors that also contribute to our standard of living.[431]

Immediately, however, the economic imperative is evoked, but with a positive twist:

> It also reflects a recognition that *economic growth and a well-managed environment are fundamentally linked.* If we do not look after our environment our economic future *can* ultimately be put at risk. On the other hand, *moving towards ESD can open up new commercial opportunities and provide both economic and environmental benefits.*[432]

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[430] ibid.
[431] ibid. p. 1.
[432] ibid.

This position reflects the Bruntland Report's positive emphasis on the advantages of moving beyond the need 'for balancing environmental considerations with economic growth' to an integrated approach. ESD, the Discussion Paper proclaims, provides a *conceptual framework* for integrating economic and environmental objectives, so that products, are both internationally competitive and more environmentally compatible.[433]

Within this conceptual framework, the *extent* of substantive integration of environmental values, becomes the real policy dilemma. The ESD Discussion Paper does more than hint that the extent of integration will be less than anticipated by green stakeholders, nor in line with the government's proclaimed principles, with a tendency to revert to the 'more balanced position' where environmental values are recognised and 'taken into consideration.'[434] Hence, a tendency to revert to the more traditional bureaucratic steering system response to the challenge posed by the NEP.

As the Discussion Paper emphasises:

> The issue is not whether there should be economic growth but rather what kind of growth should be encouraged.[435]

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[433] ibid.
[434] ibid. p. 3.
[435] ibid.

The kind of sustainable growth will be determined by economic considerations not environmental. The language used in the Discussion Paper conveys this firmly:

> Development is more likely to be sustainable if resources are used as efficiently as possible while meeting the community's social goals, such as those relating to employment and income distribution.[436]

Environmental considerations, translated into standards, will be framed within the economic imperative. *Cost-effectiveness* will be the means to determine the implementation of these standards as this will ensure the highest level of protection for a given level of expenditure.[437] Ecological and ethical considerations apart, *maintaining species keeps economic options open.*[438]

The extent to which the economic imperative will drive the ESD process is further developed in the Discussion Paper. The competitive requirements of globalisation provide another framework for consideration. It is made very clear under what circumstances ESD may proceed:

> Sustainable development will be facilitated by a diverse and flexible economy which is able to withstand internal and external shocks.[439]

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[436] ibid.
[437] ibid.
[438] ibid.
[439] ibid. p. 4.

Whilst there is a recognition within the Discussion Paper that there is the potential for irreconcilable conflict especially over policy goals within ESD, instead of the precautionary principle being evoked, the technological imperative is seen to be both the benchmark for determining outcomes and the solution for the future. The Discussion Paper is explicit on this position:

> There will be some cases, however, where economic and environmental goals cannot be pursued simultaneously, *at least not with our present knowledge and technology.* In these cases, the *choices will be clearer if they are based on the best available information and assessment of the full costs and benefits of alternative courses of action.*[440]

These costs and benefits are predominantly economic. Indeed, the Discussion Paper emphasises that whilst there are a range of subjective positions in *valuing* the environment, an environment that is undervalued in terms of *price* tends to be overused and abused.[441]

Where subjective objections are raised, as to the type of valuation, giving rise to political conflict, government, the Paper suggests, should *arbitrate* as to whether and on what conditions resources might be used, making *choices* using a decision making process that is *transparent* and *consistent.*[442] For example,

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[440] ibid.
[441] ibid.
[442] ibid. p. 5.

'subjective objections' emerged in the RAC's contentious attempts at contingent evaluation during the Kakadu inquiry. The call within the Discussion Paper for transparency and consistency reflects the mining sector's critique of the Kakadu process.

The Discussion Paper recognises the vulnerability of natural assets when converted to capital assets, but this recognition is couched not in terms of integration but once again regards the environment and the pursuit of development as separate considerations. The Discussion Paper notes that:

> One of the most important questions relates to the extent to which natural assets can be used and converted to capital assets without putting ecological sustainability at risk.
>
> There are limits on the extent to which changes in the composition of the stock of assets can be made without fundamentally changing some biological processes. Often we do not know what these limits are.[443]

Here, there is a recognition that the pursuit of growth is one issue that may have an impact on ecological sustainability. However, there is no explicit recognition that in terms of the policy discussion being advanced only growth that adopts the principles of ecologically sustainable development is acceptable. This is a long way from an integrated understanding. Once again, there is a tendency to suggest that because 'we do not know' this is not

[443] ibid. p. 6.

sufficient reason to put a brake on the assault growth has on biological processes.

The limits described above might, the Paper suggests, be met if resources are subjected to the rigors of the market place. However, given that the Discussion Paper represents an attempt to appease a number of competing claims by various agencies, this endorsement is not fully supported. This is highlighted in the ambiguous and paradoxical paragraphs discussing the issue of the substitution of capital for natural assets:

> If resources are used in a market context where prices reasonably reflect their full valuation, including environmental values, it is doubtful whether those limits will be approached. As the perception of scarcity increases, incentives are created to suppress consumption and to develop new sources of supply or supplies of alternatives. *There is, however, a very real danger that the limits could be crossed if market structures are deficient and there is no regulatory framework to compensate for those deficiencies. But it may not be possible to make the market sensitive to all environmental degradation. Biological systems may approach a state of collapse before the market reflects significant ecological stress.*[444]

This is because the market was never constructed to take account of the significance of biological diversity. One paragraph later, there is a pertinent reminder by the authors of the Discussion Paper as to where the emphasis with ESD will be located:

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[444] ibid. p. 6. (emphasis added)

> On the other hand, environmental preservation cannot be pursued exclusively, without regard for the effect on income, personal freedoms, or other things we value. The difficulty is in judging the appropriate level of risks, benefits and costs in specific cases.[445]

This statement is a key element for framing future discussion on the inter and intra generational aspects of ESD. Here the prospects of an extended view beyond the needs of the current generation is limited. Only if equity can be achieved for current generations within an ESD framework will inter-generational considerations be endorsed. A brake is firmly applied to the application of ESD, again driven by economic imperatives and reflecting the sectoral priorities of the competing claims within the process. This view is explicit within the Discussion Paper:

> Measures to achieve ESD will have differential impacts on groups within the community and will not be uniform across sectors. The degree and pace of implementation of measures which provide for inter-generational equity will need to be analysed in terms of their effect on present generations and socio-economic groups.[446]

Whilst the *negative* potential impacts of the implementation of the ESD principles are explicitly stated in the Discussion Paper, the *positive* impacts are mentioned in a more ambiguous manner. Negative concerns are firmly linked to the possible impact ESD may have on international competitiveness. ESD, it is suggested, may

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[445] ibid.

retard Australia's capacity to move to an internationally competitive position and maintain the current material well-being. This would be a grave threat to the implementation of the broader macro-micro economic reform agenda that is running parallel to the ESD process.

The Discussion Paper suggests that any move to tighten environmental standards, within the ESD principles, could impact on the viability of sectors of the economy and hence employment, and the nation's capacity to address macro-economic concerns such as the current account deficit. This will have a negative flow on effect for interest rates and inflation that will directly affect the current generation.[447] This is the basis for discussion and highlights the range of contestable views over the issues of equity within and between generations. This debate focuses on who - present or future generations - should be responsible for such debt, and the vulnerability of certain sectors of the economy, particularly low-paid and low skilled workers in exposed industries. The positive impact of ESD, the suggestion that ESD could provide economic benefits is couched in language which is measured, if not apologetic. For example:

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[446] ibid. p. 7.
[447] ibid.

> Export opportunities in new, environmentally benign industries *could counteract this effect to some extent.*[448]

There is some recognition of the 'tragedy of the commons' scenario in certain industry sectors. In these cases inter and intra generational concerns are highlighted in endorsing the adoption of ESD principles. Even in these cases the Discussion Paper makes arguments *for* ESD that are explicitly economic:

> Conversely, a reluctance to move towards ESD because of the possible economic impacts would have the effect of increasing the environmental debt that must be borne by future generations. And activities which are ecologically unsustainable *may affect future employment prospects.* For example, forest or fisheries practices that are not on a sustainable yield basis will jeopardise future employment prospects in those industries.[449]

As fisheries and forestry are 'commons problems', it hardly needs the introduction of inter generational equity issues to highlight the problems both ecological, social and economic that these industries face in the 1990s. As indicated below the response to this crisis, as outlined in the Discussion Paper, is not the introduction of a new ESD process but the pursuit of better management practices. The issue of inter-generational equity and the extent to which non-renewable resources should, or should not, be exploited highlights the tensions within this Discussion Paper and the ambiguity of the response. The Paper concedes that this

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[448] ibid.

issue is contestable and also is 'reliant' on a host of unknown variables, particularly future demand patterns and the development of substitutes.[450]

Given such uncertainties there is a reluctance to 'deal cautiously with risk and irreversibility.' In this instance the application of the technological panacea is laced with caution. Rather than being endorsed as a solution to this contentious issue, the uncertainties attached to the speed of substitution becomes an argument for continued managed exploitation:

> Some have argued that the rate of using non-renewable resources should not exceed the rate at which renewable substitutes or more efficient technologies could be brought on stream (the precautionary principle). But there is also much uncertainty about the rate of technological improvement and substitution by renewable resources or other resources.[451]

At the end of the discussion over the 'difficulties' associated with the use of non-renewable resources and the question of inter-generational equity, the Discussion Paper finds the ESD principle of 'integration' simply too hard and reverts to the time-honoured bureaucratic response of a 'balance' between the competing discourses of the environment and development:

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[449] ibid.
[450] ibid. p. 8.
[451] ibid.

> The key challenge in *managing* the use of non-renewable resources are to ensure that their exploitation occurs in the most *efficient* manner possible, that *full account* is taken of the importance of maintaining ecological systems and that exploitation occurs in a manner that ensures *minimal* environmental damage.[452]

Here, the principle of dealing cautiously with risk and irreversibility applies only to proven irreversible damage. This principle is to be applied prudently following careful evaluation, rather than being a priority:

> As a general rule, decisions that may result in irreversible damage to the stock of environmental assets should *be carefully evaluated and avoided wherever possible.*[453]

Again, the *risk* is economic, especially where the pursuit of growth is inevitable. Where caution and risk associated with environmental degradation are to be given transient status, the economic imperative must be protected. The notion of 'wherever possible' becomes code for 'whenever the economy can sustain it'. The Discussion Paper is explicit about this, proposing again a *balance* of opposed concerns rather than an *integration* of mutual interests to the benefit of the whole:

> Equally, it is necessary *to evaluate the risk to future economic prospects if business investment and growth is prevented or discouraged. In some cases it may be worthwhile paying the*

[452] ibid. p. 9.
[453] ibid.

> *price of some environmental damage to ensure present and future economic benefits.* This will be particularly relevant in the commercial development of non-renewable resources, where at least some transient impact on the environment is inevitable.[454]

The risk to economic prospects will always take precedence over the impact on the environment. Just exactly *what* is to be sustainable is made clear. The Discussion Paper, once establishing that Australia is 'already some way down the path towards ecologically sustainable development,'[455] examines the way ahead. Rather than clarifying the notion of ecologically sustainable development, the Discussion Paper abandons the language of integration, and reinforces the *status quo*, but with the added ambiguity of 'sustainability' applying to both sides of the competing claims. Two examples highlight this position:

> Fostering *economic development* that is *ecologically sustainable* will necessitate some changes in the way both producers and consumers use resources.[456]

Furthermore:

> In moving to more *sustainable* resource use, Australia must also take account of similar adjustments being made in the rest of the world. A much faster or slower rate of adjustment in Australia compared to our trading partners could affect

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[454] ibid.
[455] ibid. p. 10.
[456] ibid. p. 11.

> our international competitiveness and may not be *economically sustainable.*'[457]

It becomes clear that rather than attempt an integrated approach to resource management the authors of the Discussion Paper see ESD as indicative and educative, an opportunity for the divisiveness of the past to be put aside and a new co-operative framework established. Here, the language is cliched and tired, almost defeatist in tone:

> *Promoting* ecologically sustainable development requires *co-operation* between governments, industries, unions and conservation interests, and the *support* of the *community generally,* if it is to be *truly effective.* It is one of the great challenges of the 1990s for Australia *and the world.* It also has the *potential* to provide major new *opportunities* for Australian industry.[458]

This should not come as a surprise given the compartmentalised bureaucratic steering system driving this Discussion Paper. This outcome renders the process little more than a defense of the *status quo* as distinct from promoting the possibilities of change, which after all, is the pronounced goal of the process. Paradoxically, the values and ideas of the DSD (see Chapter Two) both defend and 'promote' ESD. However, what is promoted is *economic* as distinct from *environmental* except where the latter reinforces the opportunities for the former.

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[457] ibid.

The Discussion Paper suggests five broad categories of actions that can be applied in developing strategies for sustainability: improving the operations of markets; regulation; better information and analysis; research and development; and public education.[459] However, whilst the sectoral approach adopted by the ESD will see some categories of action given consideration over others, there is a clear indication of priorities within the Discussion Paper. Market mechanisms are to be given a pre-eminent focus. As endorsed by the Discussion Paper:

> It would now appear *desirable* to pay more attention to the contribution that *economic analysis and market-based measures* could make to achieving environmental objectives *efficiently and effectively*.[460]

Two critical components of the market are proposed: priced based measures and rights based measures. Both establish a 'polluter pays' principle. Governments will have a role in addressing the problems of natural resource pricing because the assets are owned by the community or because of the negative externalities that arise from the operation of the market. Either way, this task is made simpler by a reliance, as a starting point, on the application of a monetary value for the resource. The Discussion Paper recognises that addressing the problems of natural resources

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[458] ibid. p. 12.
[459] ibid. p. 13.
[460] ibid.

pricing is crucial to the success of any strategy for sustainable development.[461] The application of a monetary value on a resource is explicitly advocated in the Discussion Paper, again without any recognition that attaching a 'money value' to the environment and hence generating a 'cost' for its exploitation does not necessarily sustain the biological integrity of the environment:

> Money values can measure how much we are prepared to pay for preservation of a resource or, alternatively, our willingness to accept monetary compensation for its loss. That valuation could form a starting point in an analysis intended to value specific resources.[462]

There is an indication that this endorsement does not have universal approval and again the Discussion Paper proceeds magnanimously to represent competing claims regarding this option. But, the 'problem' here is not environmental, in the sense of a recognition of a subject position that gives meaning to the environmental discourse, for example, intrinsic value, aesthetic appeal, or the maintenance of biological diversity. Rather it is a 'failure' of science, or more precisely a lack of rigor in terms of application that stems the tide of the market as the panacea. Again, there is a reluctant role for government:

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[461] ibid. p. 14.
[462] ibid. p. 15.

> Sometimes we do not have enough knowledge to place a price on the value of particular assets, such as particular assets, such as particular ecosystems. In other cases - for instance, that of a species threatened with extinction - it is simply not possible to do so. In cases such as these, the value of the asset may need to be reflected in a non-market mechanism, such as government regulation over the use of those assets.[463]

Given this lack of knowledge, the Discussion paper advocates that a strong scientific and research base will be central to the development and implementation of strategies for sustainable development.[464] There is also the market 'carrot' of increased global opportunities for those companies prepared to adapt sustainable practices and market the skills and products:

> Better understanding and management of the environment will also provide opportunities for involvement in the burgeoning worldwide environmental management industries. Australia's experience in managing difficult and poorly understood natural resources equips us to exploit these opportunities. In addition there are likely to be niche manufacturing export opportunities based, for example, on new Australian waste management technologies.[465]

Significantly, there is little acknowledgment that the application of market values to resource based industries in Australia would threaten their heavily subsidised culture, particularly in the area of forestry and mining, together with a manufacturing industry heavily reliant on a subsidised energy

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[463] ibid. p. 16.
[464] ibid. p. 19.

component, such as the aluminium industry. Nor is there any indication that a reluctance by Australian industry sectors to embrace sustainable practises, otherwise being adopted at the global level, particularly in the European Union, might ultimately be met with retaliatory trade sanctions against 'dirty industries'.

Ethical, aesthetic, cultural, recreational values are discussed within the ESD Discussion Paper and whilst there is an attempt to recognise the diversity of opinions here they are framed with a view to establishing the *cost* of preservation and protection of cultural and aesthetic values.[466] It is the cost of the maintenance of these values that provides the link to questions of equity and social justice. Rather than promoting integration, the goal of ESD, the sector by sector approach allows the issue of social justice to be an argument for, if not rejection of the pursuit of ESD, then at least a considerable brake on its desirability. Again, the Discussion paper evokes the economic and social imperatives as a framework for debate:

> Equality of opportunity and social justice for all Australians is a fundamental goal of the Government. The *social impacts* of proposals for reorienting industry sectors towards sustainability - and particularly for addressing some of the problems associated with urban planning, urban densities, and transport modes - will need to be considered.[467]

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[465] ibid.
[466] ibid. p. 26.
[467] ibid. p. 27.

The complexity of ESD implementation and outcomes is raised within the context of intrusive government:

> Finally, in a democratic society, there is the issue of how much (or little) regulation of or intervention in people's lives is appropriate. This will be an important consideration in developing a mix of measures for each sector.[468]

The Discussion Paper makes it clear that the sectoral approach to ESD goals will ensure that the process will evolve within a series of existing structural imperatives and government policy commitments. The move towards ESD will be couched within the possibilities framed by the broader micro/macro economic goals, and driven by broad 'electoral cycle' considerations:

> The timing and feasibility of the measures proposed need to be analysed in terms of their likely effect on - Australia's international competitiveness - the Government's fiscal and monetary policies, including levels of public sector and private sector debt - social justice policies within Australia.[469]

The Discussion Paper having advanced arguments for the sectoral approach to ESD then moves to comment briefly on each sector, identifying key issues in relation to ESD. As this thesis will focus on the ESD Manufacturing Reports (see Chapter Seven), the summary that follows looks exclusively at this sector.

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[468] ibid.

The Discussion Paper suggests that there are basically two questions in relation to sustainable development in the Manufacturing Sector:

- how to ensure manufacturing processes meet the higher standards of environmental protection now demanded by the community while maintaining and enhancing an internationally competitive manufacturing sector.
- how best to provide the opportunities for the development of industries based on new environmentally friendly technologies.[470]

A check-list is developed in the Discussion Paper in the form of questions that are suggestive of both problems specific to Manufacturing and as benchmarks in evaluating the sector's response to ESD. Some of the more specific questions that could be examined include:

- do any problems arise from current regulatory measures in regard to environmental protection and are those measures adequate to achieve the desired end?
- is there a need for national environmental guidelines for existing industries and new development proposals
- is there a need for site specific guidelines to be developed?

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[469] ibid. p. 28.
[470] ibid. p. 35.

- are pollution laws (regarding what is an acceptable degree of pollution) consistent between States?
- are current best management and resource use practices adequate?
- are the measures currently in place for monitoring and detection of environmentally degrading processes adequate?
- what pricing policies affect inputs and outputs to the manufacturing process; do they inhibit optimal resource allocation and encourage unsustainable processes? For example, what are the effects of subsidising power supply used in the aluminium production process?
- are there general assistance or taxation measures which bias manufacturing decisions against environmentally sustainable behaviour?
- what is the most appropriate way to apply the polluter pays principle for emissions and discharges while ensuring that the competitiveness of Australian manufacturing industry is maintained?
- what are the priority areas in the short to medium term for increased energy efficiency, recycling and waste minimisation in the manufacturing sector?
- what mix of measures would best ensure adequate research and development to protect the environment and how is the commercialisation of the products from R&D to be achieved?

- what working practices need to be changed to accommodate environmental considerations?[471]

The Discussion Paper concludes by reiterating the central concerns that emerge within the paper:

> The crux of the issue in implementing ecologically sustainable development is establishing mechanisms that ensure an integration of economic and environmental considerations both now and in the future. Reaching that integration can only be a co-operative process.[472]

The extent to which a co-operative process could emerge would largely be dependent on the discursive responses by the two main protagonists in this policy formation, the industry sector and the environmental lobby.

The Industry Discourse on ESD - a Response to the ESD Discussion Paper

The co-ordination of both an industry response to the ESD Discussion Paper and ongoing participation in the ESD process was left to the Business Council of Australia (BCA). It is therefore appropriate to examine its response to the ESD Discussion Paper as representative of the broad industry discourse.

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[471] ibid. pp. 35-36.

From the outset, the industry discourse on sustainable development - it rarely used the ecological prefix, regarding this as a concession to environmental interests - is framed in terms of 'balance' or the move to a middle ground in resource management. This is made evident in the BCA's first major response to the Discussion Paper:

> This concept 'sustainable development' has come to represent the middle ground between those, quite few in number, whose preference is for economic development while giving little or no weight to environmental implications and those, again quite few in number, whose preference is towards preservation of our natural resources while giving little or no consideration to the economic consequences.[473]

This suggests that the 'problem' is minimal and it is only those 'radical' elements that create conflict. The Business Council concedes that the concept of sustainable development has played the useful role of bringing together the disputing groups into a dialogue over how our natural resources should be used. Indeed, the BCA accepts that sustainable development has taken on the status of a 'motherhood' statement, a concept that is difficult to oppose.[474]

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[472] ibid. p. 40.
[473] Business Council of Australia (BCA), 'Achieving Sustainable Development' *Business Council Bulletin*, August, 1990, p. 6.
[474] ibid.

The BCA reluctantly concedes that negative externalities can arise from the operation of the market, often taking the form of environmental degradation. However, this externality is presented as a perception rather than an empirically based observation.[475]

The response to negative externalities advocated by the BCA is to rely on technological improvements and these are dependent on continued economic growth. Without material growth the capacity to address these issues will be negated. This is a strongly advocated 'cause and effect' argument within the BCA discourse on ESD and as such is a critical code within that discourse:

> If economic growth continues then technological advance and prosperity will foster continuing environmental improvements. If however, economic growth changes into economic decline, environmental concerns will fade both at the corporate level and throughout the community generally.[476]

It is also an argument that the BCA suspects has not been well understood or received within the broader community:

> Informed public debate has an important role to play in this resolution (the conflict over resource usage) leading to the development of principles and policies which will best meet the community's needs for both environmental standards and rising material living standards.

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[475] ibid. p. 7.
[476] ibid. p. 8.

> There is an urgent need to improve the *quality* of this debate by enhancing community understanding of the key issues.[477]

The Business Council endorses the Bruntland definition of sustainable development, but its focus on 'limits' does not pertain to economic growth:

> The Bruntland report noted that sustainable development implies limits - not absolute limits imposed by present technology and social organisation - on environmental resources and the ability of the environment to absorb the effects of development. But it also asserted that both technology and social organisation can be improved to continue to achieve economic growth which does not prejudice the maintenance of an environment capable of supplying the needs of future generations.[478]

Intergenerational Equity

Whilst acknowledging that the concept of intergenerational equity is closely bound up with the use of resources and the preservation of a sound environment, especially as it relates to non-renewable resources and species diversity, the BCA understanding of intergenerational equity is prescriptive:

> What this means is that the present generation has an obligation to develop the state of knowledge, to foster the institutions which store and extend knowledge, so that future generations are best equipped to handle new and unforeseen problems.

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[477] ibid.
[478] ibid.

It follows that:

> Our best prospect of bestowing such an *endowment* is to increase our own economic growth so that we can pass on the highest technological and cultural achievements of which we are capable.[479]

There is no specific acknowledgement of intergenerational equity relating to anything other than material well-being across generations. Again this can only be secured, as narrowly as it is presented here through the panacea of economic growth. Biological diversity is relegated to a chance 'endowment' dependent on current economic capacity and the resultant technological advancements.

Non-renewable resources

The BCA agrees that one condition for the attainment of sustainable development must be to conserve and if possible enhance the stock of resources from which succeeding generations will be able to earn income.[480]

However, it is quick to attack what it terms the 'pessimistic', doomsayer prophesies of the past - the Club of Rome being specifically mentioned - who, in the view of the BCA, have

consistently underestimated the effect of increased knowledge and economic behaviour. The BCA discourse promotes another core code, that technology, knowledge and the market will combine to overcome the 'problem' of non-renewable resources, within the context of intergenerational equity:

> Increased knowledge produces new resources, both mineral as well and vegetable and animal. Rising prices for resource stocks as they become scarcer, in turn encourage greater exploration and more sophisticated exploration techniques to increase supply and providing opportunities for substitutes.[481]

Moreover, the BCA argues:

> Resource deposits yield no dividend while they remain in the ground...If a resource can contribute to *present* economic welfare there is no reason why it should not be used, provided that the social costs associated with its extraction and use are properly accounted for in the production costs and not borne by the public generally.[482]

For the BCA discourse, it is just a matter of pricing the resource so the market can determine a value and hence resolve the problem. The issue becomes not one of equity but one of *efficiency*:

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[479] ibid. p. 9.
[480] ibid. p. 10.
[481] ibid. p. 11.
[482] ibid. p. 12.

> The current generation does not owe future generations a share of particular resources. Rather, it requires that the capacity to generate resources from the total stock of environmental, physical and human capital resources not be diminished. Whether productive capacity should be transmitted to future generations in the form of mineral deposits or advanced technological knowledge or in other forms of capital is more a matter of efficiency than equity.[483]

To elaborate on this argument the BCA presents case studies of oil and iron ore extraction. Both are considered to be non-renewable resources. Here the integration, such a central principle of ecologically sustainable development, is cast aside in the interests of 'sustaining' the material welfare of the present generation:

> Provided resources are correctly priced it is *perverse* to think of their use by mankind as merely using finite global resources, with the risk that at some point all resources are used up. Using proven resources of iron ore or oil has at least two broad relevant effects. On the one hand, it adds to the material well-being of the present generation. Secondly, there may be issues of environmental rehabilitation (in the case of iron ore mining) and greenhouse gases (in the case of hydrocarbon usage) but *while these are important issues they are separate* from the exploitation of finite resources. Providing these issues are dealt with, the use of resources is unequivocably a source of wealth for the current generation.[484]

Given this position it comes as no surprise that the BCA advocates that the critical link is not an integrated approach but one driven by the development of technology:

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[483] ibid. p. 13.
[484] ibid.

> There is a direct, positive link between technological progress and the level of economic development. The higher the latter, the greater the former. In turn there is a link between the use of the world's resources and economic development. One result of using resources today, therefore, is better technology for tomorrow - technology to economise on resources use, to develop renewable resources, and to improve our capacity to manage the environment.[485]

'Tragedy of the commons' scenarios - such as land degradation and depleted fisheries - arise, according to the BCA from bad management, not any basic incompatibility with economic development. This is an endorsement of the position advocated within the ESD Discussion Paper.

Biodiversity

The BCA acknowledges that the core of the argument is the possibility that growth could put ecological and biological diversity at risk. However, it argues that this element of risk does not imply that that growth should be abandoned. Indeed:

> The absence of economic development does not ensure the preservation of biodiversity - the continuous process of natural change ensures a shift (often catastrophic) in the mix of species and populations.
>
> The task is to ensure responsible management of development so that there is *minimal disruption* to biodiversity. Such management requires a great increase in knowledge. Clearly, development is required to create the

[485] ibid. pp. 11-12.

substantial wealth which will be needed to support such acquisition of knowledge.[486]

Once this knowledge has been accumulated, the BCA argues that development then needs to take place with conscious *consideration* of all aspects of this complex debate - ethical, ecological and economic. However, the BCA is not able to detail what might constitute a 'minimal disruption' to biodiversity, nor the effect. Clearly, the bottom line here is a continual reliance on economic growth. Again, the casual links are well established. Within the industry discourse the capacity to address the complex issues associated with biodiversity are entirely dependent on continued economic growth that will foster wealth that provides an opportunity for a knowledge base to be developed that will in turn drive a technological response. This, of course, in the interests of the current generation will be a *reactive* response.

Ethical Issues

The BCA's principal concern with ethical considerations in relation to ESD is to bring the debate back into what it deems to be the middle ground of public concern. It has no time for the ecocentric view as advocated by the environmental discourse:

[486] ibid. p. 13.

> To debate questions of animal "rights" when only humans participate in the debate seems *inherently futile.* In the end the concept of *responsible stewardship* seems to hold most promise. In the day-to-day decision-making regarding our impact on other species, it would seem possible to achieve compromises which reflect the broad middle ground in our community.[487]

Given the focus on 'day-to-day decision-making' it is reasonable to extrapolate that here notions of 'responsible stewardship' are linked to 'better management'.

Ecological Issues

The BCA accepts that the very existence of biological diversity may well be valuable, reflecting the inter-relationship of the globe's ecological systems. However, because we are only beginning to understand the importance of the genetic pool and the complex inter-relationships between species the BCA suggests that the call by environmentalists for the protection of individual species is misplaced as the BCA considers that individual species cannot be considered in isolation.

The BCA endorses the view that much can be done, and is being done, to preserve essential habitat for species even in urban

[487] ibid. p. 14.

areas.[488] Building corridors within existing or new development projects is an acceptable 'balance' between competing claims.

Economic Issues

The BCA promotes the core discourse code that: the maintenance of economic growth will be the essential pre-condition for the survival of threatened species. Not the other way around as was tentatively recognised in the Discussion Paper. Again the link and hence the explanatory note for such an endorsement is to establish the necessary information base for informed decision-making:

> In fact, continued economic development is necessary to provide the resources to improve the knowledge base and, hence, enable more informed decisions based on a better assessment of the ecological and economic consequences. Improved knowledge and economic resources also provide the means to ensure the survival of threatened species.[489]

Social Justice Issues

The BCA makes it quite clear that it is suspicious of suggestions that an integrated approach to resource management can adequately address issues of social justice. It prefers to abandon the integrated approach and highlight, in a way that some

[488] ibid. p. 15.

commentators might find ironical, the need for a careful consideration of the 'negative' social impact that the move towards ecologically sustainable development may create. In order to argue this case the BCA chooses to critique the extreme no-growth position adopted by a very few environmentalists:

> Calls for reduced demand often take no account of the effect of a depressed economy upon society's most vulnerable members, women, the aged, the disabled. It is time for the social justice impact of no-growth scenarios to be fully debated. To oppose technological change and economic growth without recognising who is most effected - the poor - is an untenable moral position.[490]

Environmental Standards

Appropriate environmental standards, according to the BCA, will require the search for sound principles, a search for balance. The BCA argues that only as the wealth of a community increases through economic growth, that the value the community places on clean air, water and other aspects of the environment also increases.

But while economic growth and rising living standards raise the community's *capacity* to achieve its rising environmental goals they also raise its *ability to measure* environmental damage. Again the linkages between a sound economy and enhanced technological

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[489] ibid. p. 16.
[490] ibid.

capacity is strongly advocated. Hence the 'sound principles' will be technical and economic, in other words, rational, representing a narrow value base, not prone to the uncertainty and contestability of aesthetic or ethical concerns. As the BCA advocates:

> It is important that this measurement capability be related to *demonstrable* environmental damage and *not be abused.* Technical standards should not be set to impose compliance costs which will exceed the value to the community of that part of the environment which is 'used up' by the economic activity in question.[491]

Australia's Unique Position regarding Standards and Globalisation

The BCA is at pains to assert that given Australia's geographical isolation as a nation, and a small population base, measures which may be entirely appropriate for highly industrialised and heavily populated countries in the Northern Hemisphere are not necessarily tailored to specific Australian conditions which the BCA argues are unique:

> In fact our low density conditions may allow us to contribute to the overall global effort, by engaging in *more* processing activities to relieve the burden on countries already at environmental capacity. This could also provide an economic competitive advantage for Australia.[492]

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[491] ibid.
[492] ibid. pp. 16-17.

The Role of Government

The BCA is reluctant to endorse a pre-eminent role for government in the debate about the issue of standards and their implementation. In its view standards should be determined by outcomes rather than be set arbitrarily within policy processes as a means of compliance:

> It is important that standards be set for agreed outcomes rather than processes. The latter approach requires enormous government resources to be allocated to policing, whereas placing focus on outcomes allows a more collaborative approach to be taken. This way we will be able to achieve a high environmental outcome without necessarily being the "toughest in the world."[493]

The Green Discourse on ESD: an Introduction

Four Green groups - the ACF, Greenpeace (Australia), the Wilderness Society and the World Wide Fund for Nature - co-operatively agreed to produce a joint submission in response to the ESD Discussion Paper.[494] As mentioned in Chapter One, for the purpose of the thesis I will use the term, green discourse, when referring to the ideas and values represented in this submission.[495]

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[493] ibid. p. 17.
[494] W.L. Hare, (ed.) *Ecologically Sustainable Development*, Australian Conservation Foundation (ACF), Fitzroy, Victoria, 1990.
[495] This is not to suggest there is *a* Green discourse, however in this case the co-operative framework that created the submission provides sufficient justification. This co-operative framework broke down as the ESD process developed. The Wilderness Society declined to participate in the ESD Working group process and

The purpose of this document is to outline an ecological framework for discussions on Ecologically Sustainable Development. The Green submission argues that without this framework, such deliberations are meaningless as it is the placement of ecological considerations at the forefront of decision making on economic and social development that will render those developments sustainable.[496] The green discourse on ESD has, as its foundation, the limits set by the Earth's biological processes. This is an endorsement of one of the core discourse codes within the NEP and one adopted by a resistant discourse, that is, resistant to the DSP. The green discourse emphasises that an appreciation of the overall imperative of ESD can only be gained through an understanding of the state of the global environment. The key areas of global concern within the green discourse can be summarised briefly. They included concerns for: population pressures; climate change; air pollution and the global atmosphere; tropical deforestation; the maintenance of biodiversity; ocean pollution; limits on global food production and; hazardous waste production and disposal.[497]

The green discourse promotes the view that a policy framework designed to deal with ESD will need to encompass

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Greenpeace withdrew in March 1991 as a protest against the Government's decision to proceed with resource security legislation.

[496] W. L. Hare, *Ecologically Sustainable Development*, 1990, p. v.

[497] ibid. p. 19.

responses to a range of specific Australian issues. These included: economic development, biological conservation, energy and resource efficiency, population, urban planning, transport, waste and pollution objectives, sustainable agriculture as well as social equity issues.[498]

A Green Response to the ESD Discussion Paper

The green discourse emphasises the importance of the ecological framework for two reasons. First, this discourse is attempting to re-emphasise the ecological aspects of ESD in the hope of re-directing the debate about sustainable development from a development base to an ecological perspective. The Green movement was of the view that the Bruntland Report recommendations contained internal contradictions that needed to be addressed and that the Report had been largely captured by the Industry groups and presented in a narrow self-interested way that attracted little critical comment. Second, the Greens wanted to emphasise both the dynamic aspects, and the extent of the change they saw as necessary if ESD was to have any substantial impact in policy decision-making in Australia. The ecological framework, as argued by the Greens, would add a critically important qualitative aspect to sustainable development, whereas economic development

[498] ibid. p. 51.

had historically been dominated by quantitative commitments to growth.

The Green's determination that sustainable development in Australia should promote an 'ecological' bias derives from concerns that the Bruntland Report contains inherent contradictions that need elucidation. That the definition of sustainable development contained within the Bruntland Report has been adopted and co-opted as a mantra for sustainable development exacerbated the need to push for an ecological bias. The Greens argue that the most important contradiction within the Bruntland Report is the belief woven through the Report that economic growth is fundamental to the achievement of ecological sustainability. As is argued in the Green submission to the ESD Discussion Paper, if economic growth means growth along historic patterns of economic activity, then this is clearly inconsistent with ecological sustainability. [499]

The Green submission argues that many participants in the sustainable development debate in Australia believe that the Bruntland Report is a recipe for "sustained economic growth" similar to historical patterns of economic development and resource consumption, as distinct from a new ecologically

[499] ibid. p. 3.

sustainable development. Indeed, this is the position endorsed by the Business Council of Australia's (BCA) submission. The Green submission is therefore critical of the view taken by the BCA which considers increases in economic activity or income as a product of ecologically sustainable principles and policies, rather than as a means to that end. On the other hand the green discourse argues that the application of ecologically sustainable principles does not necessarily mean that economic growth, even conventionally defined, would not occur. The core green discourse however, is to substantially reduce the level of resource consumption, preferably through dramatically improved efficiency. The submission argues that:

> For our society to have an ecologically sustainable future, our economic policies need to be aimed at achieving ecologically sustainable patterns of real output and employment. All sectors of the economy, therefore, need to be integrated within an ecological framework. The ecological imperative, therefore, would become a driving and determining factor in the direction of economic policy, rather than the other way around.[500]

The Green submission argues that a move away from a resource driven economy is imperative if Australia is to avoid economic and ecological decline in the long term. The implementation of an ecological sustainability would impose a new discipline upon the Australian economy. Without ecological

constraints it is unlikely that the long term welfare of Australians will be maximised.

An ecologically sustainable economy will have a different pattern of activity, but not necessarily a different scale. This reflects the submission's emphasis on dynamic change within a whole-of-government approach. For example, the Greens argue that new products will be required as old ones are modified or discarded. This will take place in a future policy setting that is positive in the sense that it emphasises that Australia, in moving away from a resource driven economy will be swapping one set of unsustainable options for a new set of sustainable opportunities. The pain will be in the adjustment process and the degree of pain will be determined by the rate of adjustment. For the Greens, the true focus for debate within the ESD process ought to be not on whether the change should take place but on the speed of the change to ESD.[501] Hence, the Green discourse encourages and endorses the positive outcomes of a commitment to ESD.

In order for a truly ecological sustainable development to emerge the Green submission argues that biodiversity and inter-generational equity must become the foundation stone of ESD. Other principles include: constant natural capital and 'sustainable

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[500] ibid. p. 6.
[501] ibid. p. xi.

income'; anticipatory and precautionary policy approach; social equity; limits on natural resource use; qualitative development; pricing environmental values and natural resources; a global perspective; efficiency; resilience; external balance and; community participation.[502] Those principles constitute the green discourse on ESD and as such, require some elucidation.

Intergenerational Equity

For the green discourse, IGE is one of the primary moral arguments, from an anthropocentric perspective, favouring the development of an ecologically sustainable society. This principle assumes that the current generation should not leave an impoverished environment for the next generation. As such, IGE as an ethical and moral imperative for sustainability, is thus especially important in relation to biological diversity.[503]

The linkage between IGE and biodiversity is established upon the assumption that the maintenance of the natural environment, including the conservation of biodiversity and the protection of ecological integrity, should be a fundamental constraint on all economic activity. Within the green discourse, an ecologically sustainable society would adopt an approach to biodiversity which

[502] ibid. pp. xiii-ix.
[503] ibid. p. 6.

conserved all species, their genetic diversity and their habitats such that the natural processes of evolution and ecosystem functioning can continue *ad infinitum*.[504] This is another core green discourse radically at odds with the industry discourse that promotes biodiversity on the back of continuing economic growth.

Constant Natural Capital

The maintenance of constant natural capital is an important constituent of the green discourse. The emphasis is to distinguish the characteristics of constant natural capital from other traditional forms of capital. Here the emphasis is on the non-substitutablity of natural capital; the uncertainty associated with its sustainability; the irreversibility of non-renewable resources and an emphasis on; equity and high economic values attached to increased scarcity of natural capital. This view is juxtaposed against the industry discourse that in terms of IGE natural capital can be traded against human capital gains, for example, technical knowledge and infrastructure gains.[505]

[504] ibid. p. 7.
[505] ibid. pp. 8-9.

Sustainable Income

This principle flows directly from the view of the economy established by the emerging 'green economists' who describe the economy as a closed loop sustainable model as distinct from the traditional input/output model. Within this sustainable economy, the notion of sustainable income derives from the flow of goods and services that economy could generate without reducing its productive capacity. In other words, an income that could produce indefinitely.[506]

For the green discourse, the concept of sustainable income highlights the importance of creating a national balance sheet of natural assets against which sustainable income can be measured. An economy which cannot meet the test of constant natural capital and sustainable income is not ecologically sustainable.[507] The green discourse is not able to gamble this notion of sustainable income against potential technological interventions.

Anticipatory and Precautionary Policy Approach

Anticipatory and precautionary approaches to policy are key principles within the green discourse on a sustainable society.

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[506] D. Pearce, A. Markandya & E. Barbier, *Blueprint for Green Economy*, Earthscan, London, 1989.

Anticipatory and precautionary policies are *risk averse* which is consistent with the principles enunciated earlier. Doubt in relation to the scientific predictability or uncertainty surrounding potential environmental problems should not be used as an excuse for inaction in an ecologically sustainable society. Anticipatory and precautionary policies require that decisions be taken which err on the side of *caution* and place the *onus of proof* on technological and industrial developments where they may impact adversely on the natural environment.[508] This core discourse is juxtaposed to the industry view that *uncertainty* is not sufficient reason to retard resource development.

Social Equity

An promotion of a truly equitable society within the green discourse, apart from the moral and ethical considerations, is less likely to see people under the kind of stress that leads to the degradation of the community's stock of natural resources. Within the green discourse on sustainable development, this principle is a global one. As such it recognises that the movement towards sustainability will have a differentiated impact across the community and nation states, perhaps reducing income in some areas and providing windfalls in other areas. It is a principle that is

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[507] W. Hare (ed.), *Ecologically Sustainable Development*, 1990, p. 10.
[508] ibid. p. 11.

sympathetic to those developing nations who feel they will be disadvantaged or required to carry an unequal burden of responsibility in the global movement towards sustainable societies.[509]

This is particularly so in the light of demonstrable vulnerability of species exploitation such as tropical rainforests and the attempt by developing nations to restrict developing nations continuing rate of destruction.

Biophysical Limits on Natural Resource Use

This principle calls for a recognition of the *limits* to which renewable resources can be exploited for human need. It reiterates that the scale and throughput of material resources will need to be limited by the capacity of the environment to both supply renewable resources and to assimilate wastes. The principle alludes to demonstrable biophysical limitations such as global pollution by heavy metals; land degradation; global atmosphere - ozone depletion and global warming, to emphasise its importance and pre-eminence in an ecologically sustainable society.[510]

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[509] ibid.
[510] ibid. p. 17.

This core green discourse is at odds with the DSP discourse, incorporated within the industry discourse that does not accept ecological limits, arguing for more information and new technological innovation in response to these claims. For example, the industry discourse would point favourably to the elimination of chlorofluorocarbons (CFC) as a technological solution to the problem of ozone depletion, that has also had the added benefit of not incurring a cost differential for developing nations.

Qualitative development

This principle argues that increases in the *qualitative* dimension of human welfare and not *quantitative* growth in the resource throughput is a key objective of a sustainable society. As such it represents an important departure from the central focus of classical economics - growth (quantitative) and a movement to, and a language preference for *development* (qualitative).[511] Here the qualitative emphasis is on a range of objectives that constitute *ecologically sustainable* development, a set of ideas and values that the green discourse endorses as a qualitative improvement on the *status quo* across a range of indicators.

[511] ibid.

Pricing Environmental Values and Natural Resources

This principle endorses the view that prices for natural resources should be set to recover the full *social* and *environmental* costs of their use and extraction. This is to move away from the industry view that externalities are not costs. There is however a number of important caveats on this approach. It is not an endorsement of free market economic approaches to resource pricing such as tradable permits. Some elements of the green discourse strongly support the view that many environmental values cannot be priced in monetary terms and hence pricing policies will form part of a broader framework of decision making. This is a recognition of the importance individuals and communities place on the aesthetic and intrinsic values of the environment. This is not something that can be determined or replaced by, for example a monetary value.[512]

Global perspective

This principle reinforces the idea that a sustainable society can only be achieved and maintained from a global perspective. A global perspective on ecologically sustainable development is needed so that Australia does not simply move its environmental

[512] ibid. p. 18.

problems elsewhere.[513] It also indicative of the view encompassed within the green discourse that a number of environmental issues such as rainforest depletion, global warming, ozone depletion, air pollution etc are transboundary issues – 'think globally, act locally' is the colloquial translation of that core discourse.

Efficiency

There is a recognition within the green discourse on ecologically sustainable development that efficient resource use must become a major objective in economic policy. Here, efficient use of natural resources means *reducing the intensity* of the use for any given activity.[514] This is particularly pertinent with regard to energy use and dependency in Australia. Again, this runs counter to the industry discourse that endorses the depletion of known resources on the assumption that market forces will explicate a technological solution to alternative supplies or innovative approaches to extraction. Of course, due the abundance of cheap fossil fuel based energy resources in Australia, such as coal, the nexus between supply and demand in the energy sector has up until this stage stifled the development of cost competitive energy supplies such as solar energy and wind power.

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[513] ibid.
[514] ibid. p. 20.

Resilience

Economic policy, according to the green discourse, needs to focus on developing a resilience to both external economic and ecological shocks. A resource-driven economy, like Australia's, the green discourse argues, is unlikely to be resilient as it won't contain the economic diversification that is likely to be necessary to respond to an increasingly competitive global market focusing on the export of value-added manufacturing.[515] This lack of resilience is reflected in the pressures on the current account deficit and an industry profile that in the light of the increasingly liberalised trade regimes globally is referred to by Bell as the 'mug's economy.'[516]

External balance

According to the principles of the green discourse on ESD, Australia's economy needs to be brought into balance. An external imbalance – such as a current account deficit beyond 6 per cent of GDP - creates pressures to deplete natural capital and can undermine the prospect for an ecologically sustainable economy. Under the pressures of external account imbalances there is the

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[515] ibid.

[516] S. Bell, personal communication 1996. The term 'mug's economy' refers to the reliance by the Australian economy on the export of commodities as distinct from a reliance on 'added value' exports. Dr S. Bell was an Associate Professor in Public Policy in the School of Government, University of Tasmania during this period. He gave a number of lectures and seminars on this general topic.

prospect of increased pressure at the domestic political level for the lowering of pollution standards.[517] This was highlighted in the Australian government's position presented at the Kyoto Protocol on Climate Change in December, 1997, where Australia argued that is was a 'unique' case in terms of reliance on resource based polluting industries, dissipated across a vast island continent such that the impact at both domestic and global dimensions was negligible.

Community participation

Strong community participation will be a vital pre-requisite for affecting a smooth transition to an ecologically sustainable society. The green discourse on ESD argues that the range of issues involved in the evolution towards ESD is far too complex for government committees, as proposed within the ESD policy framework, and as a consequence there is a vital need for the broadest possible participation by the community.[518]

International Competitiveness and ESD

In addition to the principles of ESD outlined above, the green submission addresses other important issues, including

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[517] W. Hare (ed.), *Ecologically Sustainable Development*, 1990.
[518] ibid

international competitiveness and ESD. Essentially, the green discourse proposes that the policy debate about Australia's international competitiveness must take place in a broader context. Again, the need to address the structural dependence on resource based exports is a central concern. The green discourse argues that within the context of an international move towards ecological sustainability, Australia's resource-driven economy is subject to two (other) pressures which mitigate against its long term sustainability:

- Environmental imperatives will accelerate the reduction in resource intensity and consequent technological change already observed in the OECD countries. This could reduce the demand for Australian materials and/or increase price competition in the international markets for those resources. A failure by Australia to respond to these environmental imperatives could evoke sanctions within the OECD where compliance would be sought amongst member nations; hence,
- Continued dependence on a resource-driven economy may inhibit the development of a more efficient and hence competitive economy in other sectors.[519]

In other words the green discourse suggests that a failure to respond to global trends towards sustainable development has the

[519] ibid. pp. 46-47.

potential to put the entire traditional commodity based exporting economy in Australia at further risk.

Policy Issues

The Green submission argues that the assumptions contained within the Commonwealth Discussion Paper's limit its capacity to address these issues and move the ESD debate forward. In relation to ESD, the Green submission argues against the linkage between economic means and ends:

> Unfortunately, the Commonwealth Discussion Paper starts out with the assumption that 'economic growth and a well-managed environment are fundamentally linked', and thus that the 'task confronting us is to take better care of the environment while ensuring economic growth'. It is apparent from the context of the discussion paper that the form of economic growth envisaged is one that is consistent with historical forms of increasing resource use, and this is clearly not ecologically sustainable. In this sense, then the government has confused economic means and ends. Economic growth may well be an outcome of an economy restructured to achieve ecologically sustainability, *however it is not the means to this end.*[520]

This recognises the polarisation that exists between the green discourse on ESD and the Industry discourse on ESD. Here is a core discourse contest: the view, endorsed by industry that ESD will ride on the back of economic growth and the view critically promoted by the Greens that this will not be ecologically sustainable and hence,

not a form of ESD but rather, at best a reversion to a recognition that economic growth and the environment are linked, as distinct from necessarily integrated.

The Green's submission emphasises that historically the focus of efficiency improvements in the economy have been towards labour and capital, with efficiency of resource use improving almost as a side-benefit. In contrast the green discourse argues that economic policy in an ecologically sustainable society would focus on *resource efficiency* improvements.[521]

Economic Instruments

The emergence of economic instruments in the arena of environmental policy making, particularly in the area of pollution abatement, is also addressed in the Green submission. The green discourse accepts that economic instruments certainly have a place in the arena of environmental policy making. However, the green discourse argues that their application must be viewed in a regulatory context:

> Regulatory and economic systems of control are only as environmentally efficient as the mandated levels for total emissions they set. This is the important policy aspect. Undue attention should not therefore be given to the

[520] ibid. p. 53.
[521] ibid.

> mechanisms by which this may be achieved until clear long term objectives are issued by the government. The Government must provide clear targets for pollution reduction in which various economic instruments can operate.[522]

In other words, the market can determine how limits are to be met but it is up to government to regulate the standards and police the implementation and assess the outcomes.

The Critique of Government Discussion Paper

In summary, the Green submission criticises the ESD Discussion Paper in a number of areas. First, the green discourse purports that the conceptual framework is flawed in that where economic demands are not reconcilable with environmental concerns, the latter are to be sacrificed 'to ensure present and future economic benefits.'

In support of this criticism, the Greens point out that the Discussion Paper assumes that only marginal changes to economic policy will be needed to achieve ecological sustainability. The Green submission argues:

> There is a strong sense throughout the paper that ecological considerations are an optional 'add on extra' to economic policy. Ecological considerations are secondary to traditional

[522] ibid.

'growth' objectives. The government's discussion paper confuses economic means with social and ecological ends.[523]

Second, the Green's submission argues that the government's paper emphasises enhancement of material living standards as an objective in itself. According to the Greens, this is an illogical approach, as the desirable level of material living standards would be an outcome of the desired quality of life, not vice versa.

Finally, the Green submission argues that the fatal flaw in the Discussion Paper is that it essentially assumes that historic patterns of economic activity and growth must continue into the future, and does not question this assumption. Whilst some acknowledgement is made of 'the need for some changes in the pattern of resource use, improvements in the way in which air, land and water resources are used...', the overall emphasis of the Paper in that no major changes in policy will be required. This assumption if implemented, the Greens argue, would lock Australia into a policy position with grave environmental and economic risks.[524]

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[523] ibid. p. xiv.
[524] ibid.

Discourse Analysis of the ESD process: a Discussion

One of the features of the ESD process was the extent of bureaucratic control. This not only produced tensions within the policy community but given the pre-eminent role played by the Department of Prime Minister and Cabinet (PM&C), generated considerable bureaucratic rivalry. The Department of Arts, Sport, Environment, Tourism and Territories (DASETT) felt left out of the process. Bureaucratic control also meant that when the focus was to 'give the concept practical effect in different sectors' this meant that the ideal of integration was undermined from the beginning of the process. This decision by the bureaucratic steering system was crucial in determining the policy framework within which ESD was to emerge.

With the emergence of the ESD Discussion Paper, three discourse codes emerge: bureaucratic; industry and green. Tables 8, 8a and 8b (see below) list those discourse codes (key ideas and values) as follows:

Table 8 ESD Discourse Codes

A Bureaucratic Discourse Code on ESD
The ESD Discussion paper makes it clear that the macro economic agenda of restructuring will drive the process – so environmental issues such as potential climate change need to be considered within the broader economic framework. This establishes a clear economic bottom line. The issue is not whether there will be growth but rather what kind of growth. This has the added policy bonus of linking environmental policy to the broader macro-micro reform agenda, a key goal of government post-Wesley Vale
The positives of the ESD process are promoted within the Discussion Paper as being economic – open up new markets
The bureaucratic steering systems historical preference or context for a 'more balanced approach' places limit on the extent of integration. It is clear that the adoption of ESD principles will be done on the basis of cost-effectiveness, in other words only when the transition to a competitive, diverse and flexible market place is established in the domestic economy
Technology is both the problem and the solution to the implementation of ESD principles. The 'problem' here is that there is not enough of it, to address the issues, because if there were, it would, in turn be the solution
ESD principles need to be couched within social justice parameters relating to impacts on 'income, personal freedoms and the other things we value'
Intra and inter generational equity are not linked within an integration focus but are firmly set on the capacity of equity to be delivered to the current generation, rather than reviewing limitations etc in order to address future equity issues
Inter generational concerns are linked to the economic and social implications – particularly, unemployment – that might arise in industries that do not adopt ESD principles. There is no explicit recognition that equity is a broader issue than economic considerations, for example issues and responses that are encompassed within the NEP
'Commons' problems are management issues, there is little substantive consideration of the extent to which there are limits on non-renewable resources
Caution and risk are economic rather than the potential environmental risk
Caution and risk are economic rather than the potential environmental risk
Caution and risk are economic rather than the potential environmental risk
There is little understanding that generating a 'cost' regarding environmental assets does not necessarily protect their ecological integrity
Social justice components are seen to be a brake on the application of ESD principles

Table 8a

A Industry Discourse Code on ESD
The BCA regards ESD as a motherhood statement that has the potential to reduce conflict; technology will solve problems; environmental degradation is a perception rather than an empirical observation
Environmental considerations are linked to the economic growth cycle: "something that can only be addressed if and when it is affordable" – capacity and ability to measure; Public debate is ill-informed
Technology and knowledge and the market (read efficiency) will solve the intergenerational equity issues – growth can only sustain those
Biodiversity is a management problem
The survival of threatened species will be dependent on the maintenance of economic growth – improved knowledge
Australia's unique conditions – isolation, small population, minimum pressure on the environment's capacity – effectively mean that the ESD process is unnecessary

Table 8b

A Green Discourse Code on ESD
Greens discourse hinges on the limits set by biological processes. – emphasised by the NEP. Ecological considerations must be at the forefront of notions of sustainablility. This is a qualitative emphasis
The Green discourse suggests that there is a fundamental contradiction in the Bruntland account of sustainable development: – economic growth is fundamental to the achievement of ecological sustainable development. This means that the outcome is merely sustained economic growth. Without ecological constraints it is unlikely that the long term welfare of Australians will be maximised
The Green response is concerned with the speed of change that would accompany the implementation of ESD
Biodiversity and inter-generational equity are the keys. The focus here is on the potential for an impoverished environment that gives rise to a number of ethical and moral considerations. An economy that does not meet the test of constant natural capital and sustainable income – linked to *capacity* is not sustainable
Approaches should be *risk averse* in relation to impacts on the environment
For the Green discourse, the efficiency focus is not on costs but reducing the *intensity* of use of any given activity – for example, in the energy sector

How does the ESD discourse as defined by the Discussion Paper, together with the key stakeholder responses impact on the emergent Manufacturing response to the ESD proposals? Now that the key discourse codes for each sector have been established it is possible to extend the discourse analysis to an examination of the

Manufacturing Working Group Reports on ESD. This analysis can in turn be linked to the key competing discourses within the environmental policy debate, the DSP and the NEP (see Chapter Seven). This linkage will assist in determining how liberal democratic states respond to the challenge of environmentalism by demonstrating the influence of Dryzek's structural constraints.

First, however, it will be necessary to elucidate the key intertextual issues that frame this debate, the 'code models' of discourse. This will include a brief history of the Manufacturing sector in order to frame its discursive position(s) so that the response to the ESD goals, directions and principles are grounded in a broad intertextual context.

Chapter Seven
ESD and Manufacturing: A Discourse Analysis of the ESD Manufacturing Reports

Introduction

As discussed in Chapter Three, discourse analysis places significance on the historical context that frames public policy dynamics. Policy debate, and the development of 'new' policy options do not evolve in a vacuum. These options emerge within a framework set by past policy decisions and commitments. According to Fairclough the historical context provides an explanatory note for the emergence of certain 'code models' within discourses.[525] This Chapter will identify those 'code models' as they emerge within the debate about the potential linkage of the Manufacturing sector to an integrated ESD framework. This discourse analysis will expand those 'codes' and place them within the 'competing' DSP and the NEP discourses.

In addition, this Chapter's adoption of a policy discourse analysis of the ESD Manufacturing Working Group's deliberations

[525] Fairclough uses the term 'code models' along side his articulation of hegemony as a predominant organisational form of power in contemporary society. Fairclough argues that 'code models' are 'an uncompromising imposition of rules, norms and conventions'. As such a 'code model of discourse' refers to a 'highly regimented normative practice'. As such 'code models' are 'highly institution-oriented'. Part of the explanation for this is their emergence within an historical context. See N. Fairclough, *Discourse and Social Change*, 1992, pp. 94-95.

will highlight a number of theoretical aspects discussed in Chapter Three.

Firstly, it will demonstrate and explain the emergence and persistence of discourse codes identified in Chapter Six as they relate to this particular sectoral group within the ESD process.

Secondly, it will establish the extent to which alliances between discourse codes and their linked stakeholders emerge within the Manufacturing Working Group and how those alliances inform our understanding of the challenge environmentalism represents for the DSP. This was outlined in Chapter Two and is significant in developing Dryzek's hypthoses.

Thirdly, policy discourse analysis of one particular sector of the ESD process will allow an analysis of the extent to which the emerging discourse codes, established within the ESD Discussion Paper, are demonstrably present in the Manufacturing Working Groups' deliberations. It will highlight the discursive contest between stakeholders in the Manufacturing Working Group. It will demonstrate the degree to which alliances are built between stakeholders and the extent to which those alliances are able to shape the notion of ESD that emerges within this sectoral group.

Finally, this Chapter will demonstrate the significance of the historical context in shaping not only the policy deliberations, but in defining the discourse codes and the policy 'problem'. The shaping of the discourse codes both encourages and limits alliances within the ESD deliberations. In doing so this demonstrates the extent to which the ambiguous and hegemonic (unstable equilibrium) notion of ESD that emerges from the Manufacturing Working Group masks the power of the DSP to effectively meet the challenge of the NEP within the policy process. This in turn demonstrates *how* liberal democratic political systems respond to such a political challenge.

Manufacturing in Australia: Historical Context

For the first seven decades of the Federation, Australian political economy was dominated by a bi-partisan policy commitment to 'domestic defence', at both and economic and social level. There were three components of this approach: immigration controls; arbitration and conciliation and; tariff protection.[526] All three pillars of this policy approach were designed to protect living standards. The trade-off for the maintenance of higher wages and labour protection was considerable tariff protection for industry.

[526] See F. Castles, 'Social Protection by Other Means: Australia's Strategy of Coping with External Vulnerability', in F. Castles (ed.), *The Comparative History of Public Policy*, Polity Press, Cambridge, 1989: S. Bell, *Ungoverning the Economy*,

For seventy years, Australians enjoyed the benefits of relatively high living standards, bolstered by the capacity to successfully export commodities and protect domestic industry through the policy of domestic defence. Australia under this policy regime was able to take full advantage of the post-war reconstruction that created demand for its exports globally and the domestic defence policy ensured high employment levels. As Bell critiques:

> Manufacturers were privileged under such arrangements and state power was used to manipulate the economy onto a path of manufacturing industry development. All this was social engineering on a grand scale. The restructured production system, wage regulation and the new settlement between labour and industrial capital points to a major shift in the business-labour-production nexus, whilst the new enhanced role for the state in industry protection also points to the introduction of a restructured microeconomic system.[527]

This has enabled scholars to point to the relatively 'strong state' or 'dominant' state descriptors in examining the role of the state in Australia during this period, but this only applied to the macro economic level.

Oxford University Press, South Melbourne, 1997; and P. Kelly, *The End of Certainty*, Allen & Unwin, St Leonards, NSW, 1992.

[527] S. Bell, 'The transformation of the Australian state in comparative perspective', unpublished paper presented to Department of Political Science, seminar series, University of Tasmania, 1995, p. 3.

Equally important has been the fact that Australia has always embraced relatively liberal notions of market freedom and management prerogative. In this sense the rhetoric of 'free enterprise' in Australia has always been taken seriously by business and by conservative political elites. As a consequence, state assistance has generally been welcomed but not state intervention. As Bell explains:

> Thus, there has been a pattern of macro-structuring and micro freedoms with respect to the state's traditional role in the Australian economy; a pattern of statism at the broad structuring of the economy, combined with what is often a laissez-faire approach at the microeconomic level.[528]

Tariff and quota protection had the effect of restructuring the economy, but such a macro-structuring role was not accompanied by any attempt to impose conditions (such as efficiency criteria or Research and Development (R&D) commitments) on the industry recipients. In this sense, Australian protection came without accountability, without strings. This is in contrast to the successful Asian economies where post-war protectionism went hand in hand with policies to ensure fierce domestic protection and to orient domestic firms towards international competitiveness.[529] Policy

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[528] ibid. p. 4.

[529] See S. Bell, *Ungoverning the Economy*, Oxford University Press, South Melbourne, 1997 and S. Bell, *Australian Manufacturing and the state*, Cambridge University Press, Melbourne, 1993 and S. Bell & B. Head, (eds.) *State, Economy and Public Policy*, Oxford University Press, Melbourne, 1994.

accountability and detailed microeconomic scrutiny by the state were central to this approach.

Rarely has the Australian state challenged the concept of the autonomous firm or the concept of private management prerogative. There has been little interfacing to produce a co-ordinated approach to what might be called industry policy. The result was an expanded state role in managing a kind of macroeconomic system built around Keynesianism and welfarism, with the microeconomic system being consolidated by arbitration. In the 1950s and 1960s, Australia became one of the most protected economies on the world with an established 'safety net' for the provision of welfare support. This Keynesian/social democratic paradigm gave priority to stability, expansion and full employment.

The Attack on the State

Since the 1970s - at the macro level - there has been an abandonment of the post-war 'Fordist' model of development with its focus on full employment and its replacement by neoliberal policies aimed at external balance and low inflation.[530] At the micro level, the early statist traditions of high and extensive protectionism have been abandoned, replaced by a neoliberal

[530] S. Bell, *Ungoverning the Economy*, 1997.

commitment to free trade. The macro pattern of change reflects global pressures towards neoliberal policy convergence, driven by the policy preferences of global financial markets.

This transformation reflects a significant weakening of the state capacity vis-a-vis the domestic economy. Australia's domestic defence model collapsed mainly because its microeconomic system became untenable. In a world increasingly dominated by high value-added manufactures and services trade, Australia's protectionist import-substitution industrialisation never produced much more than a mass of infant industries. In particular, manufacturing industry's lack of competitiveness reflected the kind of 'truncated industrialisation' often associated with high levels of foreign investment. It also reflected a 'statist/laissez faire' pattern of interventionalism without any real form of microeconomic accountability or oversight by the state.

The result was that Australia remained heavily dependent on low value-added exports, to a point where even in the 1990s, the rural, mineral and tourism sectors accounted for almost 80 percent of export income. Increasingly it became clear that there were problems with attempts to balance a first world society atop a third world commodities/resort economy. These structural problems with the economy are reflected in the long term secular decline in Australia's terms of trade by, what is increasingly, one of the worst

current account performances in the OECD, and by ongoing falls in the value of the $Aus. By 1974, the 'golden years' of the post-war boom were over.[531]

The attack on the state, particularly its growth as percentage of GDP began in earnest from the mid-seventies. There was an ideological commitment within industry and wider neo-liberal circles to restructure the state and, more broadly, to re-balance the political scales put out of alignment by the extraordinary conditions of post-war full employment, labour empowerment and state growth. In Australia, the major neo-liberal policy shifts have included abandoning high protectionism in favour of international and domestic free trade policies, and moves towards 'sound finance' policies at the macroeconomic level.

The free trade shift reflects nothing short of a revolution in Australian policy. Australia fervently embraced free trade in the 1980s (APEC, the CAIRNS group within the GATT negotiations).[532] At the domestic level, and in the face of structural adjustment pressures and the need to make the economy more competitive, the traditional microeconomic system of heavy-handed protectionism combined with a benign neglect of virtually all aspects of the microeconomy has been cast aside. Protectionism has been

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[531] ibid.
[532] ibid.

drastically reduced. And instead of neglect, the microeconomy is now the subject of intense scrutiny and wide-ranging attempts at reform. The irony here, is that reform measure requires considerable state intervention to dismantle the previously existing regulatory mantle.

The main change has involved a seven fold reduction in tariff levels, with average effective tariff rates declining from around 35 percent in the late 1960s to what is around 5 percent in most industries in the late 1990s. Most of Australia's non-tariff barriers, such as quotas and local content rules in the motor vehicle industry, have also been abolished. In this way Australia has moved from being one of the most protectionist countries in the world becoming one of the least protected. A litmus test of the change is the fact that the tariff reductions of the kind announced in March 1991 - in the midst of severe recession - would have been unthinkable a decade ago. Beyond this, the reductions in protectionism also underline a corresponding fall in the political power of manufacturing interests that once occupied a privileged policy position.

Other microeconomic policy changes include financial deregulation and reform of the centralised wage system through the development of several 'enterprise bargaining' streams. This latter policy approach emerged during the Hawke Labor government's

period of power and continued through to the Keating government and was consolidated in a reformist industrial relations legislative package introduced by the Howard government after its election in March, 1996. By the late 1990s all three pillars of the domestic defence policy were in the process of being dismantled. So much so that debate emerged as to whether Australia had gone too far in 'liberalising' its domestic economy.[533]

On the international stage the political power of the financial markets should not be overestimated. International financial markets, particularly through exchange rate pressures and credit ratings have an enormous capacity to impose greater policy discipline on states and to insist, as a first priority, on relatively tight fiscal and monetary policies to control inflation, not unemployment, the focus of the relatively expansionist post-war Keynesianism. The responses of financial markets to domestic policy parameters to a large extent determine the capacity a nation state such as Australia has of 'staying afloat' in the international global economy. Since 1974 this has been a difficult legitimising task as growth rates in the OECD are half that of the immediate post-war period.

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[533] S. Bell, *Ungoverning the Economy*, 1997; P. Kelly, *The End of Certainty* , 1992; P. Self, *Government by the Market?*, MacMillan, London, 1993 and H. Stretton, *Political Essays*, Georgian House, Melbourne, 1987.

In an increasingly interdependent world, states have lost much of their earlier policy sovereignty in the face of the transnational neo-liberal pressures. National economies have not one but two forms of governance; one lodged in parliamentary institutions, the other in the discipline imposed by financial markets.

Even within this global dimension there are signs of a significant state role in industry policy in Australia that indicated some domestic 'flexibility' *vis-à-vis* the neo-liberal model. The Australian state's role in industry policy has not contracted (*a la* neo-liberalism) but expanded. Despite criticism sectoral planning, budgetary allocations to industry grew fourfold from the late 1970s. These approaches are not to be equated with any 'strength' or capacity. Indeed, Australia's industrial state displays mostly weak state characteristics and in no way matches the authority, policy leverage and coordinating capacity found in relatively strong Asian industrial states such as Japan.

As for Australia's somewhat confused, and in some cases contradictory response to industry policy, a short list of domestic causal factors would include: the hostility of free trade interests (who see industry policy as featherbedding for manufacturers), weak state traditions that never effectively developed microeconomic interfacing and coordinating capacity with industry,

a financial sector largely indifferent to the fate of domestic manufacturing, powerful bureaucratic agencies at the centre that support neo-liberalism and that have made life difficult for a succession of weaker and more marginalised industry departments, a failure of vision and leadership on the part of manufactures, weak support from the major parties and so on.[534] Together, these causal factors frame the manufacturing discourse codes which in turn, provide the intertextual discourse for the sector.

The scrapping of industry protectionism and more importantly the macroeconomic regime of full employment had major distributional effects. Manufacturing industry has lost its privileged position and is now about as half as large as it used to be relative to the size of the economy. Fiscal policy adjustments can now be vetoed by financial market responses and these effects are particularly evident in heavily market-obligated countries such as Australia. A general loss of capacity is also evident with respect to shaping Australia's economic structure. By using powerful instruments such protectionism, the Australian state once had the power to actively structure the mix of industries that comprised the economy.

[534] S. Bell, *Ungoverning the Economy*, 1997.

Now the Australian state no longer has that kind of capacity. Nor, with the loss of exchange controls, can it readily attempt to manage the balance of payments position. In key respects, then, markets and competitive forces, more so than at any time in the twentieth century, now structure and shape the Australian economy.

Manufacturing Discourse Codes

As argued above, the historical setting gives rise to emergence of a number of discourse codes for manufacturing in Australia. These codes are indicative of the significance of manufacturing as a case study within an emerging ESD policy process. Manufacturing in Australia is at a cross roads between the new and the old policy positions. These policy positions generated 'old' discourse codes such as 'protection' and 'maintenance of living standards' together with 'new' discourse codes such as 'competition' and 'productivity'. Together they frame (often overlapping) the manufacturing sectors response to the challenge of ESD. As such its response to an integrated approach to environmental and economic policy development as espoused within the ESD framework is indicative of the dynamic tensions that emerge within the discursive contest that ESD arises from, and is represented by. Discourse analysis provides a lens on the contours of that policy debate.

In summary, the key discourse codes (see Table 9 below) that emerge from the narrative on manufacturing in Australia are positioned within the history of manufacturing. They consequently sit uncomfortably with the challenges generated by the ESD policy initiative. These codes frame the discourses evident in the ESD Discussion Paper and the ESD Draft Report on Manufacturing.

Table 9 Summary of Manufacturing Discourse Codes (1901-1990s)

Manufacturing Industry Discourse Codes (1901-1970s)	Manufacturing Industry Discourse Codes (1970s –1990s)
Dominant state juxtaposed to free enterprise and management prerogative	Weak state
Protection – immigration controls, centralised wage fixing and tariff protection	Micro economic reform – neo liberal commitment to free trade
Protect living standards – trade off for higher living standards - produces stability, expansion and full employment	Competition and productivity link living standards to capacity
Privileged status of manufacturing	Tariff reductions, financial de-regulation and de-regulated labour market
Protection without accountability	Lack of state capacity fiscal policy links to financial market vetoes

Manufacturing and the ESD Discussion Paper

The ESD Discussion Paper suggests that there are two primary questions in relation to sustainable development in manufacturing:

- how to ensure manufacturing processes meet the higher standards of environmental protection now demanded by the community while maintaining and enhancing an internationally competitive manufacturing sector?;
- how best to provide the opportunities for the development of industries based on new environmentally friendly technologies?[535]

The Discussion Paper outlines a series of specific questions that relate to manufacturing within an ESD framework. These include:

- do any problems arise from current regulatory measures in regard to environmental protection and are those measures adequate to achieve the desired end?;
- is there a need for national environmental guidelines for existing industries and new development proposals?;
- is there a need for site specific guidelines to be developed?;
- are pollution laws (regarding what is an acceptable degree of pollution) consistent between States?;
- are current best management and resource use practices adequate?;

[535] Commonwealth of Australia, *ESD Discussion Paper*, AGPS, Canberra, 1990, p. 35.

- are the measures currently in place for monitoring and detection of environmentally degrading processes adequate?;
- what pricing policies affect inputs and outputs to the manufacturing process and do they inhibit optimal resource allocation and encourage unsustainable processes? For example, what are the effects of subsiding power supply used in the aluminium production process?;
- are there general assistance or taxation measures which bias manufacturing decisions against environmentally sustainable behaviour?;
- what is the most appropriate way to apply the polluter pays principle for emissions and discharges while ensuring that the competitiveness of Australian manufacturing industry is maintained?;
- what are the priority areas in the short to medium term for increased energy efficiency, recycling and waste minimisation in the manufacturing sector?;
- what mix of measures would best ensure adequate research and development to protect the environment and how is the commercialisation of the products from R&D to be achieved? and;

- what working practices need to be changed to accommodate environmental considerations?[536]

A Discourse Analysis of the ESD Draft Manufacturing Working Group Report (DMWGR)

The Draft ESD report on Manufacturing followed the same process as the other sector reports. The draft reports of the nine Working Groups were completed in July 1991 and made available for public comment. No recommendations flowed from the draft deliberations of the Working Groups, indicative of the broad 'educative' rather than substantive role the reports, even in their final form, were to play. After the release of the Draft Reports the remaining phase of each of the Working Groups' task was involved in the formulating of a policy direction to achieve ESD.

The DMWGR immediately attempts to position manufacturing within the existing micro-macro economic reform debate and hence, its capacity to clearly articulate a response to ESD, is limited and confused in terms of cause and effect.

The DMWGR notes that:

> Manufacturing through employment and products contributes to the material and non-material well being of

[536] ibid. pp. 35-36.

> Australians. The *effectiveness* of this contribution will be *dependent* on macro and micro management and reform and its *capacity* to meet the need to move to ESD as a basis for production.[537]

The DMWGR also endorses a very narrow perspective on the non-material well being of Australians, clearly rejecting what it considers to be minority views:

> ...for *most* people, a minimum requirement for non-material well being is having employment and earning a sufficient income, that provides an acceptable standard of living.[538]

The DMWGR is quick to draw the linkages between ESD (here meaning the environment issues), economic efficiency and social equity issues. The Report presents a number of issues - conceptual problems that arise between the 'theories' of ESD and that of the 'practitioner in the field'; the lack of expertise; together with the ambiguity of sustainable development and the principle of inter-generational equity - as an opportunity to present the transition to ESD as an educative function against which action will be *judged*, not made:

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[537] Commonwealth of Australia, *Ecologically Sustainable Development Working Groups, Draft Report – Manufacturing*, AGPS, Canberra, 1991, p. 1. (Please note that in Chapter Seven *italics* used in quotes and referenced material are included for *emphasis* unless stated otherwise in the footnotes).
[538] ibid. p. 2.

> In *practice,* a *major difficulty* in dealing with environmental issues is that they do not just affect economic efficiency. Indeed, *distributional issues* are, in some respects, even more important. One important distributional aspect is that, until sustainability is achieved, the present generation is taking something away from future generations. This involves important ethical issues...
> In terms of the Brundtland Report, we must '...meet the needs of the present without compromising the ability of future generations to meet their own needs'.
>
> *Precisely what this means is, of course, one of the complexities of the sustainable development process...*What is clear is that *with our present state of knowledge,* complete accuracy is not possible. Perhaps it will never be. Sustainable development is, however, a vital policy framework for integrating decision making. It represents the criterion against which decisions have increasingly to be *judged.* [539]

The Draft Report also endorses the view that loss of natural assets can be comfortably replaced by current material assets:

> It is also true that the present generation faces costs imposed by previous generations - such as contaminated industrial (or other) sites. Nevertheless, the growth in the material income capacity of the present generation, in Australia at least, *is clearly more than enough to offset that legacy if we wish to do so.* This may not necessarily be the case in the future.[540]

Whilst there is a recognition in the Draft Report that one of the potential ways of dealing with externalities is to assign a cost - usually to the polluter - this is seen as an impediment to the move towards an ESD strategy on the basis of social equity issues associated within the imposition of such a cost. Here, a broad range

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[539] ibid.
[540] ibid.

of social justice issues - for example, specific environmental costs (externalities) are turned into more generalisable social costs - are rather conveniently being raised in defence of the *status quo,* highlighting an implicit recognition of the resistance to ESD that is found within the sector:

> We know that *part of the problem* is that environmental resources do not have *prices* that we can see in the market place. They are underpriced, commonly free. They are then overused unless we can bring them into the market and within the framework of its operations. The effect of tying social costs to the costs and prices which otherwise arise from the market's operations raises further distributional issues. *It takes something that was previously available freely to some people and makes them pay for it.*
>
> This affects especially those already disadvantaged within the existing social and economic system. Just what means we should use to restore some degree of social equity in these circumstances is not something that we prescribe. Nevertheless, *there is a strong case for some offsetting action to avoid moves towards sustainable development worsening the existing distribution of material and non-material income.* The case is also strong for such action on *efficiency grounds* since *resistance* to the changes involved will be greater the more that it accentuates existing inequities.[541]

From this it can be concluded that the Manufacturing sector has no intention of taking up the challenge of change within the ESD proposal. Rather, the focus is on demonstrating a range of obstacles. Nor, according to the Draft Report will consumers lead the way, given the low expectations expressed in the Draft Report.

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[541] ibid. p. 3.

Despite the emphasis placed on the educative and indicative role of ESD endorsed in the Draft Report, there is no suggestion that consumers are inclined to make the required change, other than to seek a technological solution:

> Given the expectation of continued material and non-material improvements in welfare, globally as well as in Australia, it would be *risky* to rely on consumers doing other than continuing to consume at high levels and looking for new products embodying new technological innovations. The essential need therefore is to find ways in which this can be done within an ecologically sustainable framework.[542]

Nor is there demonstrable support for recycling at the community level an indication of the educative power of programs aimed at limiting negative market externalities. Recycling, too, according to the Draft Report must be viewed from the perspective of its total economic and environmental impact:

> Recycling, however, cannot be an end in itself. In some circumstances it is possible to damage the environment through recycling. The objective, ultimately, is to move to a closed loop process, to the extent possible. However, in practice the total elimination of waste products will be difficult to achieve; they must therefore be carefully disposed of in a way which encompasses the social costs of the waste disposal. In other words, recycling must be judged in terms of its total economic and environmental impact.[543]

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[542] ibid. p. 4.
[543] ibid.

There will, according to the Draft Report, be continuing pressure on the manufacturing sector to be seen to respond to increasing community concern over environmental issues. The Report signifies implicitly that manufacturers are reluctant to respond to this commercial pressure and even if they are prepared to comply, the framework is determinably economic, with incentives (for example, subsidies or tax concessions) being the most likely motivation for change:

> Nevertheless, the community will look to manufacturers to respond further and more comprehensively to help in resolving the dilemma of needing to consume in ways that are substantially less damaging to the environment and enable ecologically sustainable development to be achieved.
>
> One way that industry can do this *is not simply resist change,* change that is unavoidable at least in general terms, but to help ensure that changes occur in the most *efficient and least cost way.* This they can achieve by encouraging the effective use of *incentives* using the market mechanism as far as possible. This would ensure positive outcomes for green and clean manufacturers.[544]

There is immediate recognition within the Draft Report that globalisation will play a significant role to either advance or retard the movement towards sustainability both at the domestic and international scale. Again, the Report emphasises that this sustainability can only be achieved if the international market place fully reflects the social costs of production.[545]

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[544] ibid. p. 5.
[545] ibid. p. 6.

In Australia, according to the Draft Report, there is considerable apprehension about how the imposition of the full social costs of manufacturing will affect the international competitiveness of the sector.

The clear implication is that if Australia was to move towards an ESD policy framework it could find itself imposing a severe downturn in living standards, due to reduced competitive advantage and more structural implications particularly for that part of the sector already struggling to survive under the pressures of micro-macro economic reform. Here, the market has to be *sustainable* rather than the environment whose sustainability is not a question of ecological sustainability but is dependent on the existence of a rigorous economy:

> In the Australian debate, considerable emphasis is placed upon the effect on the international competitiveness of the manufacturing sector of any *acceptance* of the social costs of manufacturing production. Competitiveness of manufacturing industry is *vital* to the future material and non-material well being of the country for a variety of reasons. Ultimately, however, that *competitiveness* has to be *sustainable* and cannot be based upon an environmental subsidy. Just as a *strong economy* provides the *means to protect the environment,* so sound competitive companies are better able to meet the social costs of production - and consumption - than those operating at the margin.[546]

[546] ibid. pp. 6-7.

The Draft Report emphasises that the move towards ESD is a global phenomenon and it is possible for Australia to take the 'denial' position and argue the 'uniqueness' of its case (resource based dependence) together with a 'sound' environmental record. The potential challenges to this position that could emerge are immediately dismissed in support of the maintenance of the *status quo* and the view that its 'their problem, not ours'. This is essentially the ingredients of a 'no-regrets' policy where policy change is only considered in the light of 'minimum impacts' on existing socio-economic indicators. Consider this rather truncated argument from the Draft Report:

> Moreover, the implicit assumption that the *rest of the world is not changing would mistakenly ignore* what has been and will continue to be a major transformation in environmental thinking and practice internationally...Australia is *fortunate* in that the impact of economic activity on its environment *has probably been less than* in most other countries - developed or developing. This has been largely because of its relatively extensive settlement pattern. One consequence of this is that Australia contains more unspoiled natural areas, and a greater number of hitherto unthreatened natural species, than most countries. It is not too surprising, therefore, that *the pressure to act to protect the environment and the acceptance of that need by industry is, in many respects, further advanced overseas than in Australia.* Regulations, or community pressures to which industry will have to respond in these countries will move ahead rapidly - if not always uniformly - in the years ahead.[547]

[547] ibid. p. 7.

The 'real' threats within the Report can only be emphasised within the context of their market impact, not the integrated decision making of an ESD framework. These threats pertain largely in the international trade arena where sanctions might be proposed against countries that don't adopt 'best practise manufacturing production':

> Other international influences will come from the demands in markets for products that meet the same standards as those set in the importing country, technologies will commonly be imported with more advanced environmental controls, and public and political adoption of overseas attitudes will demand standards in Australia at least comparable to overseas.[548]

The Draft Report begins to enunciate policy responses that were to form the emerging Australia government policy on Greenhouse gas emissions:

> In the case of global climate change, more important than judgement of the certainties in Australia will be those to be made - or already being made - in Europe, North America and Japan. Measures are already being taken in some of those countries responding to concerns about greenhouse gas emissions. Those measures may not affect Australia yet but they could indicate paths likely to be followed in the future. If so, they could substantially affect Australian industry.[549]

The first section of the Draft Report concludes with a call for ESD to be enshrined in management approaches that significantly

however, do not endorse the integration of decision-making within the manufacturing sector but merely reflect a renewal of the old 'balanced' view, where at least the environment was 'taken into account':

> The new approaches will need to be enshrined in management thinking - as in total quality management terms - giving the environment *at least* as important a place as other aspects of the company's operation.[550]

Manufacturing and ESD: Where are we now?

This section in the Draft report outlines the contribution made by the manufacturing sector to the economy and the negative environmental impacts that mitigate against that contribution. For instance, the Report notes that at the time, the sector employed over 1 million people; it contributed one sixth of the national production and; contributed $12 billion or one fifth of Australia's total export revenue from goods and services.[551] On the other hand, the main traditional negative environmental externalities are air, water, soil and noise pollution, the generation of hazardous and general wastes, the contribution of urban congestion and accident

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[548] ibid.
[549] ibid. pp. 7-8.
[550] ibid. p. 8.
[551] ibid. p. 9. There is no reference in the Draft report that confirms the accuracy of these figures, nor to the time-frame they represent. It is fair to say in the light of arguments developed earlier in this Chapter that these contributions have declined significantly over the years 1990-2000.

risks from fires and chemical spills. More recently, attention has focused on contributions to Greenhouse gases and production of substances which damage the ozone layer.[552]

The Draft Report recognises that the Manufacturing sector in Australia is subject to a range of frameworks that in turn impact on its capacity to address the issues promoted by ESD. There is an explicit recognition that the sector is vulnerable, particularly to the global dynamics associated with the competition and the need to respond to community and market pressures to generate products that are environmentally benign. These are seen in a both positive and negative perspective and these perspectives are often juxtaposed within the Report in order to balance competing claims amongst stakeholders within the Working Group. For example, this is how the Draft Report deals with the potentially positive competitive outcomes for a sector that promotes products that are environmentally benign, the initial premise that needs to be overcome is the negative one:

> Take, for example, the links between environmental pressures and international competitiveness in production. While the *immediate static effect of allocating more resources to environmental protection may be to raise costs and lower competitiveness,* the effects *can be* to stimulate innovation and product development and to gain competitive advantage in new products and processes for which an environmentally conscious comunity is willing to pay a premium. The environmental pressures in Japan and

[552] ibid. pp. 9-10.

> Germany appear to have contributed to their leadership in many areas in developing cleaner technologies and environmentally friendly products.[553]

The answer to this discursive tension within the Working Group is to frame the discussion within a broader one than the need to promote an integrated approach to decision making in the Manufacturing Sector. In other words, the capacity to respond to ESD will be determined by the imposition of another frame of reference, total welfare. This puts an entirely narrow slant on the propose of ESD and deflects the potential for continuing conflict over specific detail within the ESD principles and goals, specifically the integration of such concerns within a policy response.

For the Working Group, ESD is to be judged against a total welfare framework and not as an integration of environmental and economic considerations within the sector, hence promoting that sector's vulnerability brought on by the uncertainties about its future through the re-establishment or reinforcement of the time honoured, 'balanced approach'. The language used within this section is a graphic illustration of the importance the Working Group attached to promoting this mitigating framework as an alternative to the substantive principles of ESD. For example, intergenerational equity is reduced to income levels and neglects

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[553] ibid. p. 10.

the maintenance of natural capital and biodiveristy. The language adopted also represents an attempt to impose a consensual framework for the competing claims within the Working Group:

> The *assessment* of ESD for manufacturing (and other sectors) must involve the *balancing of some very different contributions to total welfare.* It is necessary to look at the total impacts of each sector on the *welfare/well-being/standard of living of the community.* This includes direct and indirect effects, tangible and intangible effects, risk and uncertainty, intended and unintended effects, immediate and long run effects. It requires ensuring that natural assets - as well as man-made physical and intellectual assets - are *appropriately valued* and incorporated in *indicators of national living standards.* It also requires attention not just to income and wealth creation but to the *distribution of income and wealth both within and between generations.* This report is therefore concerned with ways in which *social welfare might be optimised within an ESD context.* The *significance* of ESD is that it provides a *guiding principle* by which *social welfare may be optimised* when society faces *great uncertainty* over appropriate allocation of resources.[554]

The Draft Report emphasises the significance of the historical structural aspects of the manufacturing sector. These are presented as having 'implications' (interpreted as *impediments*) for the implementation of ESD. The Report notes that Australia's reliance on its natural resource and energy base has been an important influence of the type of manufacturing sector that has emerged in Australia. It notes, that resource based industries account for about

[554] ibid. p. 10.

one third of manufacturing production and two thirds of manufacturing exports.[555] As the Report notes:

> This substantial reliance on resource based industries has important *implications* for ESD. These industries have tended to be more internationally competitive and able to prosper without government assistance. They have also been the major source of manufacturing exports. It is the same group of industries, however, which generate the greatest concerns about their potentially adverse impacts on the environment. These impacts may occur prior to manufacturing in the rural, mineral and forest industries, or in the manufacturing process through the use of fossil fuels or production of waste products where disposal poses environmental problems.[556]

The Report attempts to shift the blame for environmental externalities to other sectors and then re-emphasises the constant theme that the real issue facing the manufacturing sector is the impediment that ESD provides for a sector already committed to the more important micro-macro economic reform agenda. This becomes an economic bottom line in relation to the implementation of ESD within the sector and as such, draws a boundary around any policy flexibility:

> The last decade has seen a major shift in the orientation of Australian manufacturing. The debate over manufacturing industry protection has been largely resolved in favour of increasing the exposure of Australian industry to world competition. The key objective of present industry policy is to encourage the development of internationally competitive manufacturing and service sectors.[557]

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[555] ibid. p. 11.
[556] ibid.
[557] ibid. p. 12.

This impediment is reinforced by the acknowledgement by the Working Group that the rate of structural change in Australia appears to be slower than competitors.[558]

Whilst acknowledging that negative externalities do occur within the sector, the Working Group's Report is concerned that the adoption of ESD will implement across-the-board responses in terms of regulation with little regard for specific problems. Rather than endorse regulation, the Working Group support a self-management approach to pollution abatement:

> The key to the determination of the actual, as opposed to the potential, contaminants from manufacturing is *management practices*. In considering solutions to industry pollution problems there is rarely a simple and general rule that can be applied. Each industry, and in many cases particular operations, have to be looked at on a *case-by-case basis*, and specific solutions tailored for a particular operation.[559]

The Working Group conceded that liquid discharges by the Manufacturing sector is a 'major issue', causing serious environmental damage in a number of water ways and oceans adjacent to manufacturing activities.[560] However, it is reluctant to endorse the view that air pollution is a major national problem in the achievement of ESD for manufacturing. This view is based on a number of factors:

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[558] ibid. p. 13.
[559] ibid. p. 19.

- manufacturing ranks well below Transport and Domestic fuel combustion in terms of its contribution to air pollution in the air sheds of Australian capital cities;
- pollution control authorities have been active in enforcing emissions particularly over the last 10-15 years;
- many major manufacturing enterprises have changed their production process, or have instituted pollution control equipment which has reduced their air emissions;
- there has occurred a change in fuel types used by industry from coal to oil to natural gas; and
- a relocation of much of industry away from central city locations.[561]

The Report emphasises that the above conclusion relates to the *national situation,* conceding that there are, of course, specific instances of unacceptable levels of air pollution from manufacturing.

Finally, this section of the Draft Report refocuses on the perceived failures of regulation within the sector and specifically the EIA process. There is an attempt to align industry concerns with what are referred to as conservation and community concerns but the result is merely a reinforcement of the view that these concerns

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[560] ibid. p. 23.
[561] ibid. pp. 20-21.

are, if not diametrically opposed are nonetheless approaching the issue of problems within existing EIA processes from differing perspectives and expectations. This often reflects the difference between private and public interest. The following is a taken sequentially from the Draft Report:

Industry's concern is that the process can be slow, complex and unpredictable. The main causes for these problems are seen to be:

- a project found to be environmentally acceptable as a result of EIA and on which considerable investment has been made can still be found *politically unacceptable* in the approvals process;
- *duplication* between processes for different jurisdictions;
- *unnecessary complexity* arises because EIA procedures and guidelines and standards for environmental quality are not always the same in different jurisdictions; and
- a *lack of clear quantified targets* for environmental effects or of a scientific basis for standards set.[562]

There is a recognition within the Draft Report that community and conservation groups have expressed concerns in relation to the desirability and efficiency of the EIA procedure. The Draft report contends that:

> Community and conservation groups share some of these concerns, and also believe that the *public interest* is not always sufficiently protected by the current EIA processes because:
> - the fact that the proponents, or a consultant hired by them prepare EIA documentation *introduces inherent bias;*
> - not all EIA processes are *open to public review;* and
> - there are *no independent agencies* that can *review* disputed environmental assessment, and legal avenues of challenge

[562] ibid. p. 30.

> to government decisions based on EIA are limited by the rules on standing in most jurisdictions.[563]

ESD for Manufacturing: Where we want to go

This section of the Draft Report on the Manufacturing Sector and ESD establishes a vision for the sector by the year 2030. This vision endorses the view that the sector must increase the efficiency of its use of material and energy; it must respond to the global economic setting; it must respond to the competitive requirements of the market and strive for less adverse impacts on the environment. This vision will be assisted if the ESD principles are applied in a policy environment where government duplication, overlap or inconsistency have been eliminated.[564]

This vision is, however, to be framed within the structural imperatives of the liberal democratic state, where balancing between economic and environmental concerns are to be taken into account, rather than integrating ESD principles and objectives:

> The improvement of living standards and an enhanced quality of life for all Australians is a general goal to which we all aspire. A major factor in the pursuit of this goal is *economic development* which generates the wealth which allows us to continue to offer increasing choices and opportunities to the community. *Economic growth* also provides the resources we need to meet *our environmental*

[563] ibid. pp. 30-31.
[564] ibid. pp. 51-52.

> *goals* - the new technologies, the capital to invest in environmental goods, and the leisure to enjoy them. It is important that this generation passes on to future generations not only a *sustainable physical environment* but also a *sustainable economic environment*.[565]

As such, the Draft Report endorses the core discourse of the ESD Discussion Paper. This vision will be one where the manufacturing sector will be driven towards change, not by a commitment to ESD but by the macro-micro economic reform agenda. ESD, if it is to be achieved at all must complement this reform agenda or be discarded as an impediment to the economic reform agenda with the latent threat of a potential flight of capital:

> In general, government policy is based on a presumption that the Australian economy cannot afford to rely on an export base consisting wholly or mainly of commodities. In an ESD context manufacturing, including resource processing and services, *must complement* Australia's strengths in the primary sector, adding value to them where it is efficient to do so, and contributing to a diversification of the export base. Moreover, where Australia has a comparative advantage in its resource based industries, *there would be no or negative benefits globally* if Australia stopped supplying such products to be merely replaced by other suppliers. ESD implies that we should focus in the long term on structuring Australian industry on an ecologically sustainable basis. Policy makers will need to take account of the *full costs and benefits, including mobile international capital,* in the implementation of such an approach over the short to medium term.[566]

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[565] ibid. p. 54.
[566] ibid. pp. 54-55.

The Draft Report endorses the view that not only is ESD a threat to the viability of the manufacturing industry but it could potentially give rise to 'capital flight' from international investors.

In short, the *vision* is in reality a commitment to a 'steady as she goes' or the maintenance of the *status quo* in the light of the substantial changes already forced upon the sector by the salient dominant economic reform agenda. Indeed the *realistic* vision as proffered by the Working Group is no more than an abbreviated version of existing practices in the sector with a cautious plea for greater effort to improve those existing operations:

> A...realistic vision of sustainable manufacturing might involve manufacturing processes:
> - which use the best environmental practices including the best technology from both environmental and economic perspectives;
> - where *all opportunities are taken* to minimise waste by extracting and collecting useful by-products from wastes where economically and technologically feasible;
> - where *every attempt* would be made to minimise or eliminate the production of hazardous waste and to dispose of it in ways that minimise environmental damage;
> - which, *where possible,* use renewable energy forms or less polluting sources of energy, and use all energy efficiently; and
> - which contribute to development of environmental technologies and products.[567]

[567] ibid. p. 56.

Here, 'all opportunities'; 'every attempt' and; 'where possible' are to be determined by the economic viability and capacity of the existing manufacturing sector.

In a broad sense, the vision would be enhanced, according to the Working Group, if 'whole life cycle' assessments or environmental audits were adopted in relation to the sector.[568] Cleaner production could be assisted through a range of investment options and changing management attitudes. 'Greenfields' situations provided a more readily achievable opportunity for new production processes to be adopted.[569] The contentious issue of energy efficiency requires the balancing of the 'technical potential for energy potential' against the 'lesser but still significant economic potential for efficiency gains'.[570]

The vision does however allude to the link - presented as a 'carrot and stick' approach (if not a latent threat) - between environmental concerns and the potential for the long term competitiveness of the sector:

> Environmental responsibility will be an *integral element of international competitiveness.* Environmental concerns will be important determinants of demand changes and those countries with the leading capability and capacity for environmental management and production will have an important competitive advantage. *Australia must keep*

[568] ibid. p. 58.
[569] ibid. p. 59.
[570] ibid. p. 65.

> *abreast of those countries to be truly internationally competitive.*[571]

Government's role

The vision promoted by the Working Group advances the view that government's role in the promotion of ESD will require a change in priorities in policy making. According to the Working Group Report the assumed linkage between ESD and economic growth will ameliorate this change:

> The *logic* of ecologically sustainable development encompasses the need for *continuing economic growth,* the important point being that development is to be *environmentally benign.* This would need to be reflected in the decision making processes of various government agencies. Indeed, it would probably need to be enshrined in most legislation dealing with decision making *affecting* the environment - in place of what in recent legislation is usually something about the *need to protect* the environment.[572]

Government Objectives

In discussing government objectives in relation to ESD the Working Group Draft Report reverts to the original language of the ESD Discussion Paper, particularly the adoption of *integration* as distinct from *balance* or *take into account.*[573] According to the Draft

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[571] ibid. p. 66.
[572] ibid. p. 70-71.
[573] ibid. pp. 71-72.

Report, the success of that integration will be dependent on the discursive outcomes between stakeholders as they contest both the meaning and extent of that integration. The key claims by the stakeholders within the Manfacturing sector are identified by the Working Group as follows:

- *Conservationist*: to ensure the impact of manufacturing industry on the natural environment does not adversely affect the quality of life for present and future generations nor reduce biodiversity or otherwise cause irreversible degradation of the environment.
- *Industry:* the maintenance of an internationally competitive and stable business climate conducive to continued investment, within which legitimate environmental policy objectives are met at minimum costs to industry.
- *Consumer:* a wide range of desirable, safe and appropriately priced goods and services and the maintenance of a sound environment.[574]

However, the operating principles of ESD whilst recognising the need for integration, are to be mitigated within the framework of alleged dynamism that exists within both the environment and the economy, such that the former can be adjusted to meet the requirements of the latter:

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[574] ibid.

> A policy process which recognises ESD and integrates environmental decision making within industry policy, recognises that *there are some ecological bottom lines* beyond which further damage is unacceptable and *at the same time recognises that these bottom lines may need adjusting over time* because economic and environmental systems are dynamic and can accommodate change.[575]

The dynamism referred to by the Working Group appears to be one sided when the role of industry vis-a-vis ESD is outlined in some detail:

> A totally inappropriate and ineffective way of responding would be to resist all change either openly or under various guises. *Industry should not, however, accept all suggested change uncritically.* Rather industry would be more effective by helping ensure that the *necessary changes to achieve ecologically sustainable development occur in the most efficient and least cost way.*[576]

The clear inference is that unless ESD becomes an efficient and least cost avenue for sectoral change, then the only 'bottom line' – out of the three identified in the process – environment, social and economic - that will demonstrate *dynamism* will be the environment, in the sense that the necessary 'adjustment' will require that environmental considerations will be largely put on hold or ignored. There is little recognition that issues such as biodiversity have bottom lines linked to ecological considerations as distinct from economic imperatives.

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[575] ibid. p. 73.
[576] ibid. p. 74.

Why is ESD not currently being achieved: the nature of the impediments.

The Working Group suggests that one of the fundamental impediments to progress on ESD is the fact that many environmental assets are public goods and hence not subject to property rights which has 'led to overuse and abuse of natural resources'.[577] In other words, the Working Group advocates an implicit endorsement of privatisation as a solution to the 'problems of the commons'. The Draft Report provides no empirical evidence for the claim that 'property rights' access to public goods such as forestry and fisheries have positively alleviated their overuse and abuse.

Continuing the theme of a link between economic development and environmental considerations, the Draft Report suggests that because of the close relationship between a robust manufacturing sector and the macro economy, structural problems within the macroeconomy will affect the *rate* at which ESD can be achieved.[578] Corrections, following the Government's recently announced reductions in the regulatory burden, could see the sector transformed into a value-added industry where it is anticipated that the damage to the environment will be less than it is currently with

a reliance on resource based industries. The Working Group emphasise that this transition has been uneven and the benefits will necessarily be long term.[579]

Failure to Incorporate Environmental Values

Within the Draft Report, the Working Group continues to advance the view that the real impediment to ESD and the integration of environmental issues into decision-making within the sector is an economic one, the failure to adequately address the social costs of externalities and the continued maintenance of public goods. The Working Group goes so far as to suggest that this position, is a fundamental constituent component of the environmental discourse:

> From the *environmental perspective, the fundamental impediment* has been the failure to reflect the social costs of resources, infrastructure services, industrial waste, pollution and biodiversity loss in the prices of manufactured goods and the resources used in them. Hence there have not been the *incentives* to amend product design, choice of materials, production technology and management attitudes in order to minimise the resulting social costs.
>
> The failure to fully incorporate environmental costs into prices implies that the manufacturers responsible for the environmental costs, and/or the consumers of their products, are receiving an implicit subsidy at the expense of the environment.[580]

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[577] ibid. p. 89.
[578] ibid.
[579] ibid. p. 91.
[580] ibid. p. 92.

Again, the Working Group insists that while the imposition of costs, in a static framework may be suggestive of an assault on competitiveness in the sector, a more dynamic view would recognise that this would provide an opportunity for product diversification and new market opportunities.[581]

More subtle is the implication that costs should apply to all sectors and not just the manufacturing industry. In other words, if this sector is to carry an additional cost then the provision of public goods like water, sewerage etc might be put on the same principle of user-pays. Again, this problem is cast as an equity issue and particularly an area where government agencies are inconsistent and negligent and where more often than not the 'damage' in the sense of cost recuperation has been undermined well before the manufacturing takes place, often by way of public subsidies to the resource industry in terms of cost recovery:

> Problems with the setting of prices to reflect environmental values are particularly evident with respect to resource and infrastructure pricing and pollution charges. Where government agencies are responsible for allocating access to public resources (for example, native forests, mineral resources) and for the provision of basic services (for example water, sewerage, waste disposal), the user-pays principle implying the recovery of full costs, including environmental costs, often has not been applied.[582]

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[581] ibid.
[582] ibid.

Community attitudes

Here the term 'community' is used in a broad sense to cover stakeholders in the ESD process and consumers in the wider market place.

Community attitudes as impediments to ESD are summarised as follows by the Draft Report: firstly, a negative and conservative industry sector that is reluctant to be innovative, in the sense of risk taking and pursuing research and development. The sector is more inclined to look for short term profits; secondly, political conflict between stakeholders, particularly the conservation and industry sector at best produce tradeoffs rather than seek resolutions that provide win-win situations for all stakeholders; thirdly, the community is unable to agree over what might constitute broad unacceptable or acceptable environmental impacts and hence the capacity for government to incorporate these guidelines in a consistent way is undermined, and hence gives mixed and confusing messages to industry; fourthly, the lack of serious community consultation, in the sense that representation is narrowly based.[583]

Concern about the adequacy of community consultation is however not as altruistic as might be imagined, especially within a process that ostensibly went to some lengths to provide a number of points of access. Ironically, the concerns voiced by the Working Group parallel criticisms of the process by the stakeholders, although from a different perspective. For the Working Group, the contentious aspects of community consultation and representation are clear:

> The difficulties of community representation are well recognised: the need to *adequately inform* the representatives of the issues; to ensure that sectional interests do not become dominant; and to capture what are frequently real differences of view between local, regional and national levels. The Working Group see these difficulties as impediments that must be tackled as part of the ESD process.[584]

The Working Group appears to be confused over the role of consultation. Is the purpose to promote consultation or a process of informing the 'ill informed' of the *real* agenda and hence a mechanism for eliciting support? The domination of sectional interests and the promotion of what was considered to be peak sector groups, for example, the ACF and the BCA, as distinct from a range of broader based representatives was a key criticism of the ESD approach. Finally, the capturing of 'real' regional differences of 'view' as distinct from substantive argument is often a recipe for

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[583] ibid. pp. 93-94.
[584] ibid. p. 94.

those 'views' merely bogging down the process, producing policy inertia and the maintenance of the *status quo* or at best, incremental adjustment.

Firm Level Impediments

The achievement of ESD within the sector will be dependent on a number of closely linked imperatives, according to the Draft Report: *responsiveness* is central to both the achievement of ESD and the timeframe required; that responsiveness will be determined largely by the *capacity* of the industry sector to meet the full social costs, the nature, availability and cost of technology. Hence the long term (2030) focus of the Draft Report. As the Draft Report emphasises:

> The adoption of green products and cleaner technologies will vary from industry to industry according to both the social costs now being incurred and the capital replacement pattern of the existing industry. For some major capital intensive processes, replacement times may extend into decades...
>
> In the short - and at times medium - run, end of pipe solutions may continue to be the only feasible approach due to technology and cost constraints.[585]

Here, the Australian experience is in sharp contrast with overseas competitors. The Draft Report notes that, as Professor Michael Porter has argued, the successful experience of the United

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[585] ibid.

States, Japan, Germany, Sweden and Denmark in innovation and export of environmentally related products and technologies suggests that these countries have benefited from setting tighter environmental regulations than other OECD countries and promoting (or at least anticipating) the international spread of these standards. Leadership in this field has been an important source of competitive advantage for these countries. However, the Working Group concedes that factors operating in Australia may work against this global trend:

> The scope for gaining competitive advantage will vary according to industry and location and may be less applicable in Australian circumstances.[586]

The Working Group sees it as important that environmental standards should be set on the basis of environmental outcomes *appropriate* for Australian conditions, including Australia's international obligations, taking into account all costs and benefits. The Report then suggests in breathe-taking naiveté given all that precludes it that:

> Individual companies, of course, *may decide to adopt tighter emission controls than those required* by mandatory standards in order to gain a future competitive advantage.[587]

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[586] ibid. p. 95.
[587] ibid.

Energy Efficiency

The Working Group *reluctantly* concedes a lack of efficiency in energy use in the Sector. However the reasons for this are highly contested within the group. As a result, reasons range from 'varied and complex' (empirical evidence is highly disputed) to lack of market competitors:

> Many manufacturing firms *do not appear* to have made full use of available technology and management practices with respect to energy efficiency. Evidence assembled recently in response to the greenhouse threat indicates substantial energy is wasted through poor insulation, running machines more often and faster than needed, failure to re-use available energy and failure to use least cost fuel types.
>
> The reasons for this failure appear to be *varied and complex.* In the non-tradeable sector and some protected industries, there may simply be insufficient competitive pressure to pursue gains in energy and elsewhere.[588]

Knowledge and Skills Gaps

The Working Group identifies a number of areas for concern in the area of knowledge gaps in skills:

> The information is inadequate in, at least, three major areas: ecosystem dynamics at the local level including the effects of contaminants on particular species; synergies between pollutants and their further impact on the environment; and the broader understanding of ecological processes.[589]

[588] ibid. p. 97.
[589] ibid. p. 99.

This lack of skills and knowledge extends into the decision-making process itself, and these difficulties are exacerbated by the need for an integrated approach within the ESD process. Beyond the concerns with the immediacy of the process itself, the Working Group alludes to perceived 'bias' not only within the process but the way the process works:

> The achievement of ESD requires a highly interactive decision making process where *all participants are well informed* on the *'rules of the game'* and the *consequences of their actions,* and the overall process is *well managed.*
>
> There is a perceived bias in the Australian system of government (but certainly not unique to Australia) towards applying palliative measures to economic and environmental problems rather than seeking long term cures. The three year parliamentary terms and the complex spread of responsibility between three levels of government are seen to be contributing to this bias.[590]

Policies to Achieve ESD

The raw politics of a process such as ESD are well demonstrated in this section of the Draft Report. A process driven by the need for consensus is frayed with dissent - 'complexities' and open conflict. The insistence by the Working Group that ESD be consistent with notions of competitiveness restricted the areas that could accommodate a contrived consensus. As the Working Group

concedes only three areas within the sector attract any consensus at all and only so, when the framework reverts to pre-existing ESD frameworks, the significance of the environment is reduced to considering it in a balanced way:

> While there will inevitably be *complexities* and some areas of conflict associated with moving towards ESD, the Working Group has identified major areas of common ground - in particular *cleaner production, energy efficiency and waste minimisation* - where *increased competitiveness and industrial development are largely compatible* with *improved* environmental *protection*.[591]

Policies for ESD within this sector will have to take into account three frameworks. Firstly, the historical one where private entrepreneurs have traditionally made decisions about production within the sector. Secondly, the market is the best way of maintaining and promoting efficiencies in resource use. Thirdly, where information gaps occur then there is a case for regulation but as that gap is reduced then market based mechanisms will resume their pre-eminence as the most effective policy instrument for the determination of ESD outcomes within the sector, the offering of incentives being a high priority. Finally, the policy framework must at all times work within the confines of the micro-macro economic reform agenda:

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[590] ibid. p. 101.
[591] ibid. p. 109.

> A major objective of the ESD process is to inject a long term and preventative orientation into policies for future development, as well as proposing immediate responses which take into *account current budgetary constraints.*
>
> ...the immediate and medium term policy settings will of necessity be *strongly influenced by macroeconomic constraints.* In particular, by the need to reduce the current account deficit and stabilise the external debt. One benefit of this strategy should be to reduce interest rates and encourage investment in cleaner production, energy efficiency and other ESD strategies.[592]

The emphasis on the market as both vehicle and solution for the implementation of ESD leaves the role of government limited to three areas of intervention: management of public goods; correction of market failure and; national and international environmental issues such as Greenhouse.[593]

Even within this framework for intervention and involvement, the extent to which government can assist in the development of ESD and its implementation is determined by the benefits outweighing the costs. The Working Group makes this clear in the Draft Report:

> While the above conditions provide broad grounds for government intervention, individual policy measures must, of course, *meet the additional criterion* that the *expected benefits outweigh the costs within the overall objective* of ecological sustainability.[594]

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[592] ibid. pp. 109-111.
[593] ibid. pp. 111-112.
[594] ibid. p. 112.

The same 'cost benefit' analysis applies to the choice of policy instrument that might be used in the promotion of ESD within the sector. There is a wide range of economic instruments capable of being used to promote ESD in the manufacturing sector. However, given budgetary constraints, both the justification for such intervention and the type of instrument proposed must be carefully researched and tailored to directly achieve a specific objective.[595] The specific objective that appears to be supported by the Working Group - subsidised assistance, either directly or through taxation concessions - is a proposal that runs counter to the overall policy framework that is seen as an impediment to the implementation of ESD, namely, the need to maintain competitiveness:

> Economic instruments capable of being used in the ESD context include use of the taxation system to provide *concessions* for specific purposes; financial assistance in the form of *grants, subsidies or soft loans;* and market based measures such as tradeable emission rights, environmental taxes and charges, penalties, performance bonds and deposit refund schemes which are aimed at encouraging specific behaviour such as minimising pollution and encouraging recycling. In this context there is also the issue of whether revenue earned from government environment charges should be used for additional expenditure on environmental programs.[596]

Manufacturing Sector Issues: Creating an ESD Ethos

Two areas of promotion are advocated by the Working Group as providing the foundations upon which an ESD ethos can

emerge. The first, is the adoption of the 'life-cycle' approach covering all stages of the manufacturing process. Secondly, there is the emergent competitive nature of not only the domestic sector but the international trading environment. This is a result of government withdrawing its traditional role of compensation and protection and the attempt to change the profile of the sector from a commodity based exporter to a value-added manufactured exporter.[597]

The Working Group argues that there is now a degree of support for this change in profile from the environmental movement given the recognition that continued reliance on commodity exporting will add to the environmental degradation of the natural assets, particularly the non-renewables.[598]

The difficulty is how to achieve this without incurring substantial environmental and development costs. This applies to both the creation of more effective and efficient ecosystem management to conserve biodiversity, via the creation of reserve systems and the development of industrial parks for more effective land use management.[599] This is a narrow, *ad hoc* response to

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[595] ibid.
[596] ibid.
[597] ibid. pp. 113-115.
[598] ibid. p. 116.
[599] ibid. pp. 118-119.

biodiversity, but sits comfortably with the industry discourse on this issue. The Working Group notes, in the Draft Report that:

> The more difficult question is who will bear the initial costs of the required studies of the ecology and the provision of infrastructure when these costs often have to be incurred well before eventual users are known...*The Working Group notes that to the extent that forward planning, infrastructure provision and ecological studies generate environmental and other social benefits which do not accrue to the eventual user of the land, there may be a case for part or all of these servicing costs being met by the community.*
>
> However, care needs to be taken that land users are not subsidised by these public sector activities.[600]

In other words, if the community is seen to be insistent on imposing costs that are regarded by the sector to be largely environmental, then the community might be asked to share in the costs involved in undertaking research, EIAs and the like.

The capacity of the sector to up-grade capital equipment and technology will also be a *cost* factor with the Draft Report suggesting that the adoption of new technology to gain a competitive advantage being only a *prospect* for the sector:

> The rate of update of new cleaner technologies by industry will depend on each firm's assessment of a complex array of long and short term costs and benefits from this action. The age and residual life of current plant and equipment, and the *investment climate,* will be critical to new capital expenditure decisions. The prospect of gaining a competitive edge and community goodwill from cleaner production, or

[600] ibid. pp. 119-120.

> the prospect of increased costs for pollution and waste disposal, would *also be expected* to be important determinants...
>
> The best single incentive the Government can provide to stimulate investment by industry and thereby hasten the introduction of new plant, is to *instill confidence through a strong and stable economy.*[601]

This suggests that ESD will, according to the Working Group, be determined by the extent to which the economy provides sufficient confidence and growth to support a new direction in policy determinations regarding the environment and industry. There is only tentative support for the view that ESD will not only create development but it will be economically sustainable because it will meet the requirements of the global economy in terms of the type of product - environmentally benign - and its competitiveness. The ambiguity of ESD allows both claims to be not only made but promoted. However, only one view is *endorsed.*

One of the concerns raised about ESD is the view that it will be an overarching policy that takes no account whatsoever of specific differentials within the sector, or internationally. For example, the Working Group notes that in relation to energy use:

> Although most manufacturers could be expected to welcome some reform of energy pricing and supply to reflect the true costs of production and distribution, the inclusion of full environmental costs - especially full greenhouse costs - could

[601] ibid. p. 126.

> have serious effects on competitiveness, particularly if Australia acted unilaterally. Also given the *inter-industry differences in scope for greater energy efficiency,* it may be that a *general* rise in energy prices is not the most effective instrument to promote energy efficiency in *all circumstances.*[602]

Direct Assistance to Firms

There are several principles the Working Group endorses, which should be taken into account in assessing whether assistance is justified for the sector in relation to ESD.

First, the objectives need to be clear, assistance should address market failures and provide net benefits to the community and the administrative process needs to be efficient to avoid payments to firms which in effect will have negligible impact on their decisions to adopt cleaner technologies.

Secondly, any additional measures should provide incentives for industry to continually search for new and better ways to meet ESD objectives. They should not conflict with the 'polluter pays' principle and unintentionally become a reward for those firms who have been slow to adopt cleaner technologies.

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[602] ibid. p. 131.

Thirdly, proposals should canvass a range of alternatives to meet specific goals and measures which directly influence the source of environmental degradation.

Finally, the basic objective should be to facilitate change - this suggests the use of incentives or performance based measures for a specified transition period rather than permanent subsidies (which in the case of many industry tariffs provide a disincentive rather than an incentive to change). The essential feature here is the emphasis placed on sector support being dependent on change towards ESD and not a return to past bad practice.[603] While there are other factors to be considered, if the above principles are met there would appear to be a strong case for assistance.

Pollution Control

The extended section on Pollution Control in the sector provides an opportunity to view the contours of debate and contestation within the Working Group Draft Report.

The 'issue' of pollution control becomes an 'issue' *for* ESD as distinct from an issue in itself. The section begins with a re-

[603] ibid. pp. 138-139.

statement, not of an integrated approach but of 'balance', in favour of economic growth:

> The issue for ecologically sustainable development is how to minimise or eliminate industrial pollution while maintaining economic growth.[604]

Positive factors are outlined that could be considered as providing the basis for the maintenance and improvement of air, soil and water quality. These include:

- progressive upgrading of technology and management practices;
- protection of biodiversity and the integrity of ecological processes;
- dealing cautiously with risk and uncertainty which involves basing decisions on long term environmental and economic goals, and not relying on scientific uncertainty to avoid environmentally sound approaches;
- seeking to avoid irreversible environmental danger;
- maintenance and improvement of the quality and where appropriate availability of national air, water (including groundwater), land and supporting ecological processes by consistently applying known techniques of waste and pollution minimisation and controls, and developing and applying improved methods and procedures;

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[604] ibid. p. 145.

- emission control standards should further the achievement of national ambient and other environment goals;
- the scientific base, including areas of uncertainty should be accurately described;
- development of enhanced standards which will give immediate improvement within a nominated time with technology which is available and competitive; and
- explicit account needs to be taken of occupational health and safety, and public health concerns.[605]

Australia, the Working Group implicitly acknowledges, will not be following the example of other countries in terms of innovative and productive responses in terms of pollution controls, especially in an already vulnerable sector such as manufacturing. Again, the pattern of text development is familiar. A position, more akin to the principles and goals of ESD is articulated only to be undermined or cast aside by a reinforcement of the *status quo* or a series of counter-factuals based on Australia's uniqueness or vulnerability:

> It should be noted that standard setting is being used in some countries as a mechanism for gaining a competitive advantage by forcing technological innovation in reducing emissions, for the redesign of processes and products to reduce waste streams and the devising of new control technology.

[605] ibid. pp. 147-148.

> Wherever possible, environmental protection agencies should delineate standards only in respect to the required level and time frame for performance. The choice of technology to achieve (or improve on) the standard *should be left to the industry to choose so that within its dynamic competitive environment it can select the means best suited to its needs.*[606]

The active responses evolve to the industry sector whereas the ESD orientated positions are to be merely acknowledged or are best seen as passive. The Working Group proposes that the process for the development and review of proposed standards for pollution control should include:

- *involvement* of appropriate manufacturing industry representatives, community groups and government agencies before a standard is devised or changed;
- a *clear distinction* needs to be maintained between analysis of *actual material* and the *interpretation of values and political judgement;*
- provision of a range of *realistic options* to the community which includes an *assessment of the consequences, costs and relative risks* of each option;
- *recognition* that competitiveness may depend on meeting relevant international standards; and
- *setting* of priorities and targets as a means of accelerating the improvement of environment quality.[607]

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[606] ibid. p. 148.
[607] ibid. p. 149. (emphasis added)

Industry dominance in these processes are explicitly advocated by the Working Group:

> The process should incorporate discussions with industry in the early stages to ascertain the industry view as to what standards they consider are *practical and economically achievable.* This will increase the likelihood of changes in standards occurring and *being implemented at the best times* from an industry perspective. Such a process should maximise the chances of *achieving practical and acceptable, but still effective and responsible, changes.*[608]

The principal concern within this section of the report is that, as is explicitly stated within the Draft Report, pollution control is based on 'poor science' and hence is a 'waste of time' and a 'costly exercise' for industry and community, the latter unnecessarily involving themselves in political conflict. The Report suggests that:

> Despite much excellent work by academia, industry and environment agencies over the last 20 years, it is often pointed out that knowledge of the Australian environment and mechanisms is fragmented, rudimentary in many areas, and has not kept pace with needs. This has serious implications for environmental planning and industry development in both time and costs. It leads to avoidable cost penalties for industry, conservative decision-making by both industry and environmental protection agencies, and leaves room for possible traumatic community polarisation on important environmental issues.[609]

The Working Group endorsed the proper application of the 'polluter pays' principle, which requires polluters to meet the full

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[608] ibid. (emphasis added)
[609] ibid. p. 151.

cost of controlling that pollution. Emission charges and performance bonds have been used in this connection.

Pollution control in Australia, as in most industrialised countries, is predominantly by regulation. The Working Group is critical of the regulatory approach, arguing that the regulatory only approach has weaknesses. According to the Draft Report this is because it is not based on a polluter-pays basis and does not provide an on-going incentive to manufacturers to adopt cleaner production processes and other measures to reduce pollution.

According to the Working Group Draft report, most pollution control authorities have been examining or introducing some market based pollution control methods. Overseas experience suggests that the optimum approach may be a combination of regulatory and market measures such as, for example, an emission licence and a charge on the quantity of emission backed up by adequate enforcement procedures. The licence sets the maximum emission permissible and the charge provides the incentive to a lower emission rate than the maximum permissible.[610]

[610] ibid. p. 152.

Employment

The section on employment is a reiteration of the attempt to *qualify* the adoption of ESD within a broader social justice framework, rather than focus on the positive opportunity ESD might provide for employment growth. This is a significant narrowing of the attempted integration proposed by ESD. What follows is a short term picture of potential negative impacts on employment as ESD is introduced and hence these are presented as an impediment for implementing ESD. The Draft Report argues that:

> In the same way that the Government does not accept that certain groups should bear the whole burden of adjustment that is in the national interest from removal of protection, it would appear *reasonable* that the same principle apply to the necessary adjustments to achieve ESD. In addition, if specific policies are not in place to encourage movement towards ESD, the process of change will be slower. The Government should adopt policies to remove impediments and in some cases provide positive stimulation to the achievement of ESD and ensure that appropriate structural adjustment programs are in place for affected employees.
>
> It is particularly important that the Government gives clear long term signals to workers in *environmentally sensitive industries, and their families, that adequate consultation take place and adjustment will be managed to lessen any unavoidable hardships.*[611]

In other words, within the manufacturing sector the transition to ESD will be incremental at best, where the

impediments will drive the process and hence support the maintenance of the *status quo,* rather than be a positive impetus for change.

International Aspects

The Working Group response to the international aspects of the development of an ESD policy within the sector are circumspect. Two aspects will take priority over other areas: firstly, the maintenance of living standards and secondly, the international as distinct from unilateral incorporation of environmental costs into the cost of production. Any movement to ESD will support the maintenance of these two positions, otherwise there will be considerable resistance to ESD in Australia despite the competitive advantages already being taken up by our trading partners. The Working Group outlines this position succinctly:

> Australia places a heavy reliance on international trade, and foreign investment in local industry, to satisfy its living standards. International trade and finance flows can contribute to the more efficient use of the world's resources and to world ESD with an important proviso - that environmental costs are included in international market prices.
>
> ...increased environmental costs will influence international competitiveness. How it will be affected will depend upon such things as *possibilities for technological change,* use *of less environmentally costly inputs* and *the increase in environmental standards among our competitors.* The

[611] ibid. p. 174.

> development of environmental technology, and of environmentally clean products, have given some countries - such as Germany (for whom it is the major industrial growth area), Sweden and Japan major competitive advantages, and other countries - Singapore - are also expecting to become regional environmental technology centres.[612]

There is little endorsement of the view that this is an opportunity that Australia should be encouraged to pursue, the reference to well known advanced technological value added economies like Japan, Germany and Singapore could be interpreted as a suggestion that the opportunity has already passed.

The historical basis to manufacturing/industry policy in Australia is crucial to an understanding of the response of the Working Group to the challenges that ESD poses to the Manufacturing sector. The key historical components that frame the response are: a protected and privileged industry sector under the auspices of the three pillars of domestic compensation and defence with an ethos that promoted market freedom (as distinct from a free market) and management prerogative; under the pressures of micro-macro economic reform in the 1980s and 1990s, the sector loses its privileged position and is subject to structural reform that makes it vulnerable at both the domestic and

[612] ibid. p. 180.

international level. As a consequence the adoption of ESD has implications (impediments) for the Manufacturing sector.

As a consequence the response to ESD is reactionary and defensive. For the Manufacturing sector, the timing of the ESD process is alarming, coming as it does when the sector is still enduring the pain of structural adjustment. The sector regards the ESD process as yet another quantum leap in terms of expectations. Hence the reaction to ESD is hostile, with a focus on the 'costs', that will be imposed on the sector but strategically advocating the alleged negative social impacts on employment and distributional issues.

The Working Group Draft Report takes a very narrow view of ESD and its principles and goals. Negative responses are extensively promoted within the Report and tend to be mentioned prior to any positive endorsement. For example, in terms of opportunities for new industries to emerge to meet the environmental challenge for new, green, clean and clever technologies and the improved opportunities for exports into the global economy. Here the reluctance to embrace ESD is driven by commercial pressures that are seen to be paramount. The sector notes that in order to take up the challenge this will require considerable incentives by way of subsidies and tax concessions. This is both a plea to return to the 'golden age of manufacturing' in

Australia and a latent admission that the sector is not 'well placed' to embrace any type of change, let alone the principles, directions and goals of ESD.

The principles of ESD such as intergenerational equity are confined to economic considerations in the Draft Report. Rather than emphasise or respond to the issue of the maintenance of natural capital and biodiversity, intergenerational equity for the Manufacturing sector becomes a question as to how income levels are maintained between generations. There is a tangible link to the ESD Discussion paper discourse that emphasises the link between the potential of ESD and change being driven by the macro-micro economic reform agenda. The Manufacturing Report emphasises that to do other wise would be to risk capital flight. Once again, ESD is to be determined by the capacity delivered by continuing economic growth.

Final Report ESD Manufacturing Working Group

The reluctance to embrace ESD that emerges in the Manufacturing Working Group Draft Report is reinforced in the Final Report. There are a number of concerns and inhibitions.

Firstly, ESD is reduced to a long term goal, indicative and prescriptive only; secondly, it can inhibit international

competitiveness (as a cost); and thirdly, the pursuit of ESD will need to take into account the environmental and social impacts. To quote from the Final Report:

> Our longer-term goal is that ecologically sustainable development will encompass a robust, internationally competitive, export orientated manufacturing sector contributing to economic diversity and quality of life. It should be based on environmentally benign products and processes and appropriately located and structured to *obviate* adverse environmental and social impacts.[613]

The Working Group has three time-frames in mind. These are the short term (to 1995), the medium term (around 2005) and the long term (around 2030).[614]

The use of time-frames is a useful strategic ploy for a policy process that has a number of impediments to its development and implementation, notably the reluctance of the Sector to embrace the principles of ESD. Rather than adopt the integrated approach that was clearly advocated in the initial discussion of ESD, the Final Report clearly reverts to *ad hoc*, incremental responses to the policy process and implementation, a response that will not be dependent on an integrated approach but rather on the strategic *judgement* of stakeholders. This approach is explicitly endorsed by the Final Report:

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[613] Commonwealth of Australia, *Ecologically Sustainable Development Working Groups Final Report – Manufacturing*, AGPS, Canberra, 1991, p. 113.

> Some recommendations clearly fall into one or other of these time-frames. For others, *judgments will need to be made as to when it might be appropriate to move to implement them*. These judgements will reflect the particular circumstances that relate to the recommendation. Among the relevant circumstances to be considered will be the economic and social impacts on those affected by any change as well as the intensity of the environmental problems needed to be addressed in an ESD context.[615]

In other words, this is a *reactive* policy response.

The perceived difficulty of achieving ESD and remaining internationally competitive whilst responding to community concern about environmental degradation and living standards that emerged in the Draft Report and became a significant impediment to the implementation of ESD within the Manufacturing sector is reinforced within the deliberations of the Final Report. It almost takes the form of a tragic lament, along the lines of the idea of ESD being 'simply too hard':

> We are faced with a community desire for both economic development and environment protection. The community expects industry and government to move quickly to improve industry competitiveness and increase employment, while maintaining the quality of the environment.
>
> The Manufacturing Group's recommendations have been formed in a manner that seeks to match Australia's environmental imperatives with our need to develop internationally competitive industries. To this extent all

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[614] ibid.
[615] ibid. pp. 113-114.

> policy proposals should be judged against their ability to contribute successfully to this very important adjustment process which will achieve both objectives.[616]

Again, the Final Report reverts to the endorsement of an *ad hoc* response as the complexities of ESD are applied to the Manufacturing Sector. Faced with such complexity the policy response is to clearly identify some policy frameworks, which rather than move towards an integrated ESD approach, merely reinforce the *status quo* in relation to policy design. This *status quo* approach implicitly reinforces the view that environmental issues as they pertain to Manufacturing 'should be taken into account' within policy responses. This is demonstrated by the Final Report's reversion to policy framework 'bottom lines':

> Some broad boundaries to the policy framework can be identified. The policy process must recognise that there are ecological bottom lines beyond which further damage is unacceptable. In consequence, adjustment mechanisms will need to be designed in order to safeguard, and pay due attention to, the economic well-being of the affected organisations and individuals.
>
> Similarly there are economic bottom lines for achieving sustainable manufacturing development - the need to maintain and enhance international competitiveness, and the role of a favourable investment climate supported by appropriate macroeconomic settings and microeconomic reform.[617]

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[616] ibid. p. 114.
[617] ibid. p. 115.

Clearly, the Final Report endorses the view that what is to be *sustainable* is development, not an integrated approach to ecologically sustainable development. Indeed, any endorsement of ESD within the Final report is at best lukewarm and largely determined by structural constraints:

> Notwithstanding these boundaries on economic and environmental matters, the Working Group has identified areas where increased competitiveness and industrial development are *largely* compatible with improved environmental protection.
>
> A major objective of the ESD process is to inject a long-term orientation into policies for future development, as well as proposing immediate responses which *take into account current macroeconomic constraints.*[618]

The Final Report reinforces the concerns articulated in the Draft Report with regard to the move towards market mechanisms by an sector 'comfortable' with regulation. The two stumbling blocks remain the cost (to industry) of incorporating environmental costs and the difficulty of evaluating (from an ecological perspective) those costs. Both impediments are used to reinforce the maintenance of the *status quo* and to push ESD into the category of longer –term policy option, viable only when information gaps can be reduced.[619]

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[618] ibid. p. 115.
[619] ibid. pp. 116-117.

Significantly, the Final Report reinforces its resistance to an integrated policy framework by endorsing the view that the pursuit of ESD will be determined by *development* contexts and thus separating ESD and industry goals:

> The starting point for an efficient policy development lies in establishing clearly articulated goals for policy. This requires the definition of ecological sustainability in *particular development contexts.* In doing so, there is a need to distinguish policy ends (the ESD and industry development goals) from policy means (such as targets for the use of policy instruments). In the course of developing policy options for addressing these goals, there will often be a necessity for re-defining goals in relation to specific time horizons so that priorities can be established and policies related to short, medium and long-term considerations.[620]

The Final Report argues that the second aspect of efficient ESD policy development lies in the specification of the methods by which policy goals are to be achieved. This, in turn, involves a number of subsidiary steps, all of which tend to mitigate against the endorsement of ESD as a policy option. Here the language used in the Final report is resistant, hesitant and ambiguous, alluding to the structural constraints that determine policy options within liberal democratic states:

- *establishing the reasons why* market failure has occurred and ESD principles threatened, thereby providing a framework for specifying *possible policy options* to address such market failure;

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[620] ibid. p. 117.

- assessing the nature, *and where possible,* the scale of benefit *that might* flow from the adoption of specific policy options *(this should be done in the context of a broad understanding of the relevant ecological and economic systems);*
- assessing the nature and scale of the costs arising from the adoption of such policy options *(again, in the context of a broad understanding of environmental and industry development linkages);*
- within *the overall sustainability constraint,* using the analysis of costs and benefits to establish an *efficiency ranking of policy options* and assessing the scope for boosting efficiency through adopting a combination of specific policy options;
- assessing the *relevance* of such analysis through a process of effective public consultation; and
- having chosen the preferred policy option (or combination of options) refining the policy design and setting up administrative systems for policy implementation that facilitate an ongoing monitoring of policy impacts.[621]

Again, the Final Report jettisons any emphasis on *ecologically* sustainable development again focusing on the need for *flexibility and adjustments* that take into account the 'big picture' policy constraints:

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[621] ibid. pp. 117-118.

> The emphasis placed on the use of cost-benefit analysis in the policy development process implies a flexible adaption of such analysis to the specific requirements of a sustainable development context. In particular, the analysis needs to embrace an assessment of both quantifiable and non-quantifiable benefits and costs, as well as properly taking account of inter-generational equity. The implementation of policy should be undertaken through a transparent process which provides for clarity and consistency in the application of policies and minimises uncertainty and compliance costs for industry.[622]

As in the Draft Report, the Final Report endorses the view that intragenerational equity rather than being a policy goal as explicitly stated in the ESD Discussion Paper, within a contextual policy framework as favoured by the Working Group, it becomes an impediment to implementation:

> In developing an efficient framework for ESD policy development, attention needs to be given to equity issues. Intragenerational equity is one of the six objectives regarded as being central to the achievement of ecologically sustainable development. The adoption of the policies recommended in this report could have significant effects on social equity. In particular, the impact of full cost pricing of environment resources with respect, for example, to energy pricing and waste disposal is likely to add *significantly to the burdens borne by socially disadvantaged groups, in the absence of other policy adjustments.* An *integrated approach* to the resolution of such problems is necessary.[623]

Having demolished the capacity of the ESD process to be, as envisaged, an integrated approach, the fact that the Final Report

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[622] ibid.
[623] ibid. p. 119.

suggests that the problems of intragenerational equity can be resolved through the adoption of an integrated approach is indicative of policy paralysis with the Working Group. The need to generate a policy response that is indicative of the various stakeholder discourses present within the Working Group means that there is no coherent recognition of the contradictions that are emerging within the policy approach. On the other hand, this counter-intuitive policy response indicates that by this stage of the process the Working Group has largely determined that the Manufacturing Sector is both unable and unwilling to endorse a movement towards ESD.

The Final Report section headed *Manufacturing Sector Issues: Creating an ESD ethos* endorses the position argued in the Draft Report that the implementation of ESD will be driven by economic policy options, not an integrated approach as advocated. Indeed, this transition is seen to be a natural approach:

> The implementation of ESD principles in manufacturing will proceed more smoothly, *and naturally,* in a macroeconomic environment that enhances competitiveness and encourages investment in new products and processes. New plant and equipment will generally be more cost effective, and energy efficient and less polluting than older versions, and *almost by definition* will move manufacturing towards a position of ecological sustainable development.[624]

[624] ibid. pp. 120-121.

In the section headed, *Investment and Employment* the Final Report emphasises that the cause and effect linkage within ESD is not an integration of environment and development issues but a reversion to a 'balancing act' or recognition of an inter-dependence, but one where the economic imperatives need to be emphasised, encouraged and endorsed before a move towards ESD can be contemplated:

> The Working Group considers that, given the inter-dependence between economic and environmental *well-being*, optimising the level of business investment in plant and equipment is central to the achievement of ESD in manufacturing. It is accepted that the best single incentive the government can provide to stimulate investment by industry is to instil confidence *through a strong and stable economy and through a strong commitment to improving industry competitiveness.*[625]

Whilst there was some endorsement of ESD as a potential employment opportunity for the Manufacturing sector in the Draft Report, the recommendations of the Final report indicate that the Working group is convinced that essentially ESD impacts will be negative and hence calls for research and policies that will identify the extent of negative impact and recommend policies that will ameliorate the situation. All recommendations under *Employment* assume that the move to ESD will have a negative impact on

[625] ibid. p. 126.

employment in Manufacturing.[626] Again a reference to equity is the explanatory note offered:

> If policies designed to achieve ESD are to comply with these principles (material and non-material well-being and equity) then it is necessary that the impacts on employment of ESD policies be studied, the results analysed, appropriate measures taken and policies amended where they are shown to have negative impacts.[627]

Despite the airing of criticisms directed towards the project approvals process, specifically EIA documentation, the Final Report endorses the *status quo*. The Working Group's endorsement of transparency for governance processes within ESD does not extend to project development where despite criticism of a process where there is real potential for bias, control of the process by the proponent was seen to be more important than making the process more transparent and hence legitimate. As the Final Report endorses:

> The Working Group also examined suggestions that responsibility for preparation of EIA documentation might be moved from the developer to the administering authority or a consultant hired by the authority. Alternatively the proponent could retain responsibility but any consultant would have to be accredited. These suggested changes are not supported. We consider that the role of the responsible environmental authority and the public review process should provide adequate checks in the system against bias on behalf of the proponent or the consultant.[628]

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[626] ibid. pp. 128-129.
[627] ibid. p. 127.
[628] ibid. pp. 144.

On the contentious issue of *Global Climate Change* the Final Report is far more informative in its discussion than the Draft Report. This is due to the fact that the ESD process did engage a specific (separate to the sector reports) Greenhouse Report and hence the Final Report was able to incorporate more discussion of the issues as they emerged during the policy process.

Whilst the Final Report dismisses the view that Greenhouse is another forecast by global doomsayers and hence should be dismissed with an appropriate degree of scepticism, it also canvasses two other approaches to policy development within the Greenhouse debate, the *no regrets approach* and the view that the Greenhouse impact will be so unacceptable that the only policy response available incorporates the precautionary principle.[629] This position is articulated thus within the Final Report:

> We accept the IPCC's (Intergovernmental Panel on Climate Change) reports as the best available scientific assessment of the enhanced greenhouse effect. There was general agreement that there is a potential problem that has to be taken seriously. There was general agreement on the need to take out some insurance against the risk involved to Australia of other countries' response to anticipated global climate change. There were differences, however, in terms of the nature and extent of the insurance needed. Our conclusions reflect these differences in viewpoint.[630]

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[629] ibid. pp. 169-170.
[630] ibid. p. 170.

Again, the lack of information at both the cost level and the scientific level inhibits a policy response.[631] However, the Final Report does suggest that a reversion to a 'no regrets' policy position may not be sufficient to address this agenda issue:

> ...most of the Working Group believe that some actions should be taken that extend beyond the no regrets category of actions. In this context, no regrets means actions which are commercially viable without the inclusion of any insurance premium against the risk of future global warming.[632]

The concern of the Working Group is that a 'no regrets' approach could easily become little more than a continuation of a business-as-usual approach. Consequently, it believes that industry, together with government, should be asked to develop, or as necessary enhance existing, programs of action that:

- offer measurable progress in achieving energy efficiency;
- put forward clear, explicit and constructive plans for the possibility that major changes may be needed and invite public discussion of these plans; and
- provide for the necessary research to be undertaken by or in collaboration with industry.[633]

Despite this positive response and the endorsement of an integrated approach between industry and government some of the

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[631] ibid.
[632] ibid. p. 171.

recommendations within the Greenhouse section within the Final Report drew some criticism especially recommendation 76 which stated:

> ...that in order to minimise the negative impacts and maximise the economic benefits arising from possible international greenhouse negotiations and policy development, the Commonwealth Government and State and Territory Governments facilitate industry efforts to prepare flexible development responses to such negotiations and policies.[634]

Some members, of the Working Group, notably the environmental stakeholders, saw this strategy as weak. This reflected their view of the serious risks of global warming. The problem in their view, requires action, as soon as practicable. The options involve some costs that are justified by the urgency of the greenhouse issue. They felt that some of the options below need to be considered for the Manufacturing Sector:

- within a program of integrated least cost energy planning, under a national umbrella, in combination with energy utility reform, the establishment of authorities to promote energy efficiency/renewable energy, in competition with existing utilities, directed particularly to manufacturing. This would include an authority to work specifically on energy efficiency research in the manufacturing sectors of the Australian economy;

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[633] ibid. p. 171-172.

- introduction of a National Energy Efficiency Act covering: minimum energy efficiency standards for household and commercial appliances, a uniform appliance energy labelling code, Australian Standard tests for appliances, and other appliances suitable for regulation;
- removal of current taxation arrangements which encourage inefficient energy use. The establishment of an incentive scheme for local manufacturers to develop and produce very energy-efficient equipment and appliances; Government purchasing of commercially available energy efficient and renewable technologies; and a training program for energy auditors; and
- energy use reduction programs to be funded by a small climate levy on fossil fuels, consumed in Australia, based on their carbon content. Studies to be made of a carbon tax for future reference, and these studies include a budget neutral tax with collections being offset by parallel reductions in taxes on labour, especially payroll tax.[635]

Some other members, the industry stakeholders, saw a climate levy as having such an adverse effect on investment and employment to be unjustified in the context of current international developments and questioned whether the proposed

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[634] ibid. p. 177.
[635] ibid. p. 177-78.

package would permit greater energy efficiency in a cost-effective manner.[636]

The Final Report concludes with a focus on the important role that government will need to play if ESD is to be achieved. The Final Report concludes that:

> Although the major response will need to be made by the manufacturing sector itself, in concert with other sectors of the economy, ultimately the achievement of ESD will depend on governments. Changes to governmental processes will be needed to ensure that their role can be better performed.[637]

The Final Report also reiterates the need for integration even if its substance tends to negate it. However, as reflecting the discursive contest within the Working Group the language used to promote this view is stilted and tame in its endorsement:

> We have argued throughout this report that, although it is not always so at present, economic development and environmental protection can be mutually reinforcing. To the extent that this is not so, they need to be made so. To achieve this, environment policies must not be seen, as they often are at present, as a kind of add-on to the normal processes for making decisions.[638]

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[636] ibid. p. 178.
[637] ibid. p. 186.
[638] ibid. p. 187.

The Final Report specifically endorses one of the key strategic indicators within the ESD process and the Working Group Reports, the centrality of ambiguity within the policy process:

> We have stressed that there will continue to be ambiguity about the precise meaning of ESD and governments will have to define it in each particular context. A reasonable time-frame in which to achieve this goal will have to be determined. [639]

Finally, while the ESD Manufacturing Report made 93 recommendations to assist the sector in addressing the goals of ESD, participants in the Working Groups found the capacity to establish common ground restricted by time restraints and the consequent failure to address a number of key proposals and issues within the process itself. For example, the Australian Conservation Foundation (ACF) expressed concern that in their view, the achievement of ESD required a new economic strategy. They emphasised that government officials showed a 'marked reluctance' to support a view that might favour an alternative approach.[640]

Biodiversity, a key component of ESD goals, was essentially ignored in the process, the ACF being forced at the last minute to

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[639] ibid. p. 190.
[640] W.L. Hare, (ed.) *Ecologically Sustainable Development: Assessment of the ESD Working group Reports*, Australian Conservation Foundation (ACF), Fitzroy, Victoria, 1991, p. 104.

put forward a proposal that became an appendix to the final report without response from industry.[641] Biodiversity apparently became a candidate for the policy inertia, this inertia 'justified' on the basis of 'scientific ignorance'.

Political imperatives – maintaining industry support and securing agreement from the State and Territory governments – saw the ICESD further dilute the recommendations of the Manufacturing sector report. As a result the NSESD outlined the following 'challenge' for the sector, and in doing so clearly indicated where the *real* policy priorities and parameters lay:

> To achieve a robust, internationally competitive, export oriented manufacturing sector, which contributes to a stronger economy, operates in accordance with the principles of ESD, and efficiently uses the renewable, non-renewable resources on which manufacturing industries depend.[642]

Summary

As outlined earlier in this Chapter, manufacturing in Australia benefited greatly from the domestic defence policy framework that dominated Australian political economy for the first seventy years of Federation. Protected by high tariff barriers,

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[641] Commonwealth of Australia, *Ecologically Sustainable Development Working Groups Final Report – Manufacturing*, AGPS, Canberra, 1991, pp. 207-210.
[642] Commonwealth of Australia, *National Strategy for Ecologically Sustainable Development*, AGPS, Canberra, 1992, p. 33.

manufacturing in Australia became complacent and uncompetitive. In this climate research and development, together with capital investment took a back seat to the easily gained profit return for shareholders. When the changing international global economy forced Australia to begin a series of micro and macro economic reforms aimed at creating a more competitive manufacturing sector and restructuring the economy from a commodity based exporter to a value adding manufacturing based economy, the existing manufacturing base was in poor shape to make the transition.

By the time the ESD agenda appeared, manufacturing was still feeling the pain of this massive structural adjustment. Manufacturers were down-sizing, moving off-shore or simply closing. The timing, in a policy sense, for another quantum leapt in terms of expectations and substantial change was not good. As a result, as has been demonstrated with the application of a discourse policy analysis, the Working Group Draft Report is a very conservative if not reactionary response to the ESD Discussion Paper and the ESD issues that relate to ESD. As such, it reflects the concerns participants from the industry sector and bureaucracy, had with the prospect that the sector, already struggling with the micro-macro economic reform agenda, faced a more uncertain future under the ESD proposals.

The reluctance to embrace ESD is endorsed in the Draft Manufacturing Working Group Report (DMWGR) through the language of doubt, uncertainty and inhibitions towards ESD. The key features of the ESD critique within the DMWGR is the implied lack of capacity for the manufacturing sector to absorb the 'costs' of ESD implementation, particularly the social costs of pricing market externalities such as pollution; the implied negative impact ESD might have on an already vulnerable sector in relation to competitiveness and finally; both these concerns are presented within a broad social equity argument that implies that the move towards ESD in the manufacturing sector would give rise to a range of social justice issues, particularly unemployment and distributional issues. These positions are reinforced in the Final Report.

Finally, what has the application of a discourse policy analysis of the ESD Manufacturing sector added to the understanding of the policy dynamics that shaped the NSESD?

The dominant ideas and values of the competing frameworks (the DSP and the NEP) are summarised in Figure 1.

Figure 1 Summary of Key Features of DSP and NEP

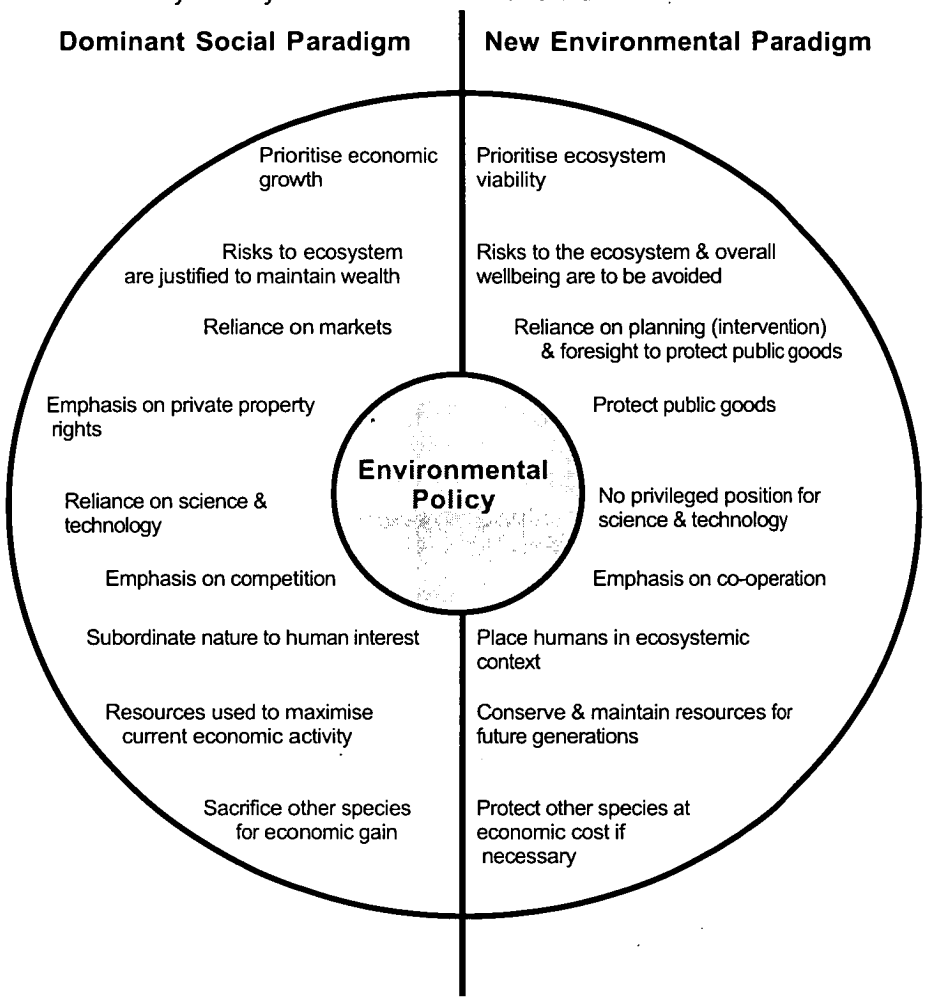

Table 10 (see below) presents the results of the discourse analysis of the ESD Manufacturing sector reports within the frameworks of the two competing paradigms, (the DSP and the NEP. Table 10 juxtaposes the critical policy features of the NSESD (development, policy tools, decision-making, and context) against the competing paradigms, incorporating the outcomes of the discourse analysis of the ESD Manufacturing sector reports. As such it clearly demonstrates the extent to which two competing paradigms frame the outcomes of the Reports.

Table 10 ESD Manufacturing Reports: Discourse Analysis Findings

	Dominant Social Paradigm	Environmental Paradigm
Development	• Manufacturing focus: employment & material/non material well being of Australians • Strong economy will sustain the environment • ESD seen as a guiding principle of social welfare provision • The adoption of ESD will impose costs, threaten competitiveness & potentially lead to capital flight • Logic of ESD: the need for continuing economic growth • Living standards are narrowly defined: employment & earning of sufficient income • Consumers will continue to consume at high levels • Economic growth provides the resources (capital & technology) to meet environmental goals	• Development needs to be environmentally benign • Major areas of common ground: cleaner production, energy efficiency, waste minimisation • There are ecological bottom lines where further damage is unacceptable • Economic development & environmental protection can be mutually reinforcing • Manufacturing sector will be under pressure to respond to community concern over environmental issues • Development of a value-added industry sector will decrease the damage to the environment • Manufactured goods are receiving an implicit subsidy at the expense of the environment

Table 10 Continued

	Dominant Social Paradigm	Environmental Paradigm
Decision making	• ESD capacity dependent on micro/macro management & reform • Environmental problems are management problems • Total welfare frames the response to ESD • Reversion to balance approach to development/environment debate • Rejection of integration as a goal • Intergenerational equity: focus on material wellbeing (income levels) not natural capital & biodiversity • Implications of ESD become impediments for ESD • Responsiveness to environmental costs limited by capacity • Costs – the community (wider) should bear the costs • ESD will be long term (2030), indicative & prescriptive • Impact of ESD will require the re-defining of goals • The objective of present industry policy is to encourage the development of internationally competitive manufacturing & service sectors • ESD principles should be applied in a policy environment where government duplication, overlap & inconsistency has been eliminated • Ecological bottom lines can be adjusted over time • Industry changes to achieve ESD occur in the most efficient & least cost way	• Carrot & stick approaches to the potential for ESD Manufacturing in the international market (environmentally benign products) • Costs recognition that environmental costs have been neglected • ESD will encourage investment in new plant & equipment • ESD will promote energy efficiency in this sector • ESD is the criterion against which decisions have increasingly be judged • Environmental pressures can stimulate innovation & product development leading to premium prices for environmentally friendly products • ESD implies that in the long term, Australian industry should be structured on an ecologically sustainable basis • Leadership in the field of environmentally related products & technologies have given some countries a competitive advantage • Government should intervene in the areas of: management of public goods, correction of market failure & national & international environmental issues such as Greenhouse

Table 10 Continued

	Dominant Social Paradigm	Environmental Paradigm
Context	• Addressing environmental issues, focus on costs – social equity issues • Adoption of ESD threatens living standards; competitive advantage & has structural implications (unemployment) • No regrets policy appropriate for unique resource based economy with limited environmental damage • ESD should promote not only a sustainable physical environment but a sustainable economic environment • Maintenance of the *status quo*: every attempt; where possible; all opportunities • Economic & environmental systems are dynamic & can accommodate change • Rate of achievement of ESD driven by structural problems • Impediments to the introduction of ESD: budgetary constraints; macro economic constraints; debt & current account deficits • Do the expected benefits outweigh the costs? • Pollution control issue for ESD as distinct from an issue in itself • ESD must be practically & economically achievable • Change to ESD should be practical & acceptable • International competitiveness needs to take into account environmental & social impacts • ESD must not impact on a favourable investment climate • ESD must take into account current macro-economic constraints • ESD could have an adverse effect on investment & employment • Manufacturers are reluctant to respond to commercial pressures to produce environmentally benign products • Structural problems within the macro economy will affect the rate at which ESD is achieved	• Increased competition/industrial development & improved environmental protection are compatible • Change to ESD should be effective & responsible

Table10 Continued

	Dominant Social Paradigm	Environmental Paradigm
Policy tools	• Present state of knowledge – ignorance – limits policy options • ESD is risky for Manufacturing – incentives are required to produce an efficiency dividend: concessions; grants; subsidies or soft loans • Sustainability – emphasis on the market rather than the environment • Achievement of ESD must occur in the most efficient & least cost way • Costs of ESD extended beyond Manufacturing to wider equity issue • Environmental costs are turned into generalised social costs • Pollution Abatement: self-management rather than regulation, case-by-case rather than general rule approach • The community is unable to agree over what might constitute broad unacceptable & acceptable environmental impacts • In the short to medium term – end of pipe solutions – may continue to be the only flexible approach due to technology & costs restraints • Endorsement of cost-benefit analysis	• Trade sanctions might be imposed against countries that do not adopt best practice manufacturing production • To be effective, ESD would probably need to be enshrined in legislation dealing with decision-making affecting the environment • Community consultation & representation in relation to ESD is narrowly based • ESD ethos is based on the life-cycle approach that covers all stages of the manufacturing process

Table 10 demonstrates *how* the competing paradigms the DSP and the NEP frame the ESD policy debate within the Manufacturing sector. This analysis shows that within the framework of the NSESD that firstly, the ESD debate is not about development but what *type of development.* Secondly, that the DSP will dominate the crucial areas of decision-making and the

adoption of policy tools. Finally, *demonstrating* the ambiguity of ESD, Table 10 emphasises the dominance of the DSP in the crucial policy context determinations. The policy context determines the extent to which ESD will be incorporated and in the Manufacturing sector it highlights the *impediments* to change. It is within the policy context that Dryzeks' three legitimising tasks for liberal democratic states are more clearly evident in firstly limiting the capacity for change and secondly highlighting the extent of the range of obstacles placed in the way of the political challenge of environmentalism.

Significantly, context frames the most elements of the discourse analysis of the ESD Manufacturing Reports. This, together with the degree of ambiguity and symbolism linked to context, again reinforces Stone's analysis that the application of the 'rationality project' has its limitations in terms of defining goals and objectives within public policy processes in the 1990s. This analysis confirms that public policy processes, particularly in highly contested areas such as environmental policy, are more inclined to exhibit elements of the *polis*.

Chapter Eight, the conclusion, will revisit the research question, summarise the analysis, make some observations about the appropriateness of the methodology applied to the case study and suggest future research issues.

Chapter Eight
Conclusion

> As politicians know only too well but social scientists too often forget, public policy is made of language. Whether in written or oral form, argument is central to all stages of the policy process.[643]

Environmentalism presents an unique challenge to liberal democratic states in that it undermines the state's commitment to the growth imperative. Environmentalism as a green discourse embodies a range of ideas and values that constitute a paradigmatic challenge to the dominant social paradigm (DSP) in the form of a new environmental paradigm (NEP). These competing paradigms frame the nature of both the political challenge and the public policy outcomes that form environmental policy. This thesis set out to address, two, related research questions. How do liberal democratic states address the political challenge of environmentalism? and; to what extent is this challenge met?

Underpinning these research questions was the idea that political conflict resulting from competing paradigms is exacerbated by reliance on administrative responses not well suited to the

[643] G. Majone, *Evidence, Argument and Persuasion in the Policy Process*, Yale University Press, New Haven, 1989, p. 1.

complexity of this challenge. Administrative designed to deal with political challenges that focus on re-distribution of resource issues adopted a range of largely successful brokerage strategies. As a result, this public policy response continued to 'address' new areas of policy formation, such as environmental policy. The consequence is policy that is often *ad hoc* and reactionary. This is turn promotes further political conflict that, in the case of Australia, threatened to undermine a range of key structural economic reform agendas. As a consequence Australia initiated its own sustainable development approach – Ecologically Sustainable Development (ESD) in the early 1990s. Whilst this process had the objective/goal of integrating environmental considerations into resource management decision-making its enduring advantage to the liberal democratic state was that it effectively ameliorated political conflict.

In examining the development of the ESD process, and the debate over its introduction into the key industry sector, this thesis concludes that the political challenge of environmentalism was met by successfully institutionalising political conflict within the ESD process. That ESD, and the ESD process, is inherently ambiguous allows the values and ideas of the DSP to reclaim the policy process within an institutional arrangement more aligned to its 'agenda'. This successfully deflects any political challenge from environmentalism, or its capacity to undermine the key legitimising tasks confronting liberal democratic states.

ESD and Environmental Policy

The traditional approach to governance adopted by liberal democratic states in response to increased complexity of competing demands is to incorporate those demands within extra institutional arrangements, such as participation by peak body organisations within the policy process, as demonstrated in ESD. In terms of environmental policy in general and the ESD process in particular, the application of a narrow range of policy tools reflects a neglect of alternative approaches. This is a reference to the state's inclination to adopt an administrative response akin to what Stone refers to as the 'rationality project'. The 'rationality project' does not have the capacity to negate or absorb the range of ideas and competing values within the policy area and hence the outcome of such a discursive contest is often ambiguous. This outcome is not necessarily intentional but it does have considerable political advantages for besieged liberal democratic states.

An ambiguous ESD outcome reinforces two key elements of the research questions: first, the limitations of the application of Stone's 'rationality project' to a complex area of public policy and; second, the extent to which the opposing discourses present in the debate 'frame' the outcomes. In terms of the case study explored in the thesis it is the extent to which the competing discourses - DSP

and the NEP - 'frame' the ESD outcomes for the Manufacturing Sector and in doing so the DSP prevails, in turn legitimising the imperatives of the liberal democratic state as outlined by Dryzek. This is demonstrated in Chapter Seven where the DSP is shown to 'frame' the majority of the outcomes within the *development, decision making, context,* and *policy tools* outcomes of the Manufacturing Working Group Reports.

In the ESD process, the dominance of the core ideas and values of the DSP, assisted the state in its legitimising tasks – the need to promote economic growth, maintain political stability and 'staying afloat'. This crucial aspect of the process, together with restricted public deliberation through the dominance of peak body representation (quasi corporatism see Chapter Five) diminished the capacity of the process to articulate substantive alternative – NEP – problems or solutions. The outcome was a balancing act of symbolic policy indicators, where the 'problem' of environmental degradation continued to be defined in political and economic terms, rather than ecological imperatives. The definition of Ecologically Sustainable Development that emerged has the appearance, rather than the reality, of cross-referencing different discourses – environmental, economic and social.

ESD as Discourse: Symbols and Ambiguity

How did the application of discourse policy analysis assist in pursuing the first research question? This thesis argues that in the case of ESD these linkages were maintained through a symbolic, ambiguous policy process that *strategically* reinforces that commitment to these structural imperatives and has the added advantage of curtailing political conflict, within an institutional framework. The preceding Chapters were able to demonstrate this by reference to the frameworks of the NSESD (*development, decision making, context* and *policy tools*) juxtaposed against the competing ideas and values of the DSP and the NEP within the ESD Manufacturing Sector Working Group's deliberations. Within this setting – where *context* dominated these sector deliberations - the DSD prevailed as a dominant discourse and the extent of the *contextual* framework both highlighted and demonstrated the ambiguity of ESD.

As Stone argues, and this case study demonstates, ambiguity has the capacity to enable the transformation of individual intentions and actions into collective results and purposes. Without it, co-operation and compromise would be far more difficult, if not impossible. This is especially so in complex and contestable public policy arenas such as environmental policy. However, it is important to reiterate that, as shown in this thesis,

the use of ambiguity within the policy process does not necessarily resolve substantive policy conflict.

Whilst this case study clearly shows that ambiguity allows for the aggregation of support from a range of discourses, 'successfully' bringing together a range of stakeholders that enhance the institutionalisation of political conflict, this ambiguity may mask internal conflicts around substantive policy areas. In discussions over Manufacturing, for example, the broad, but crucial, issue of bio-diversity was such a stumbling block for the ESD Manufacturing Working Group that it was effectively ignored and incorporated in the Appendices of the Final Report at the insistence of the environmental representatives.

This case study supports Stone's view that ambiguity may have other purposes within the policy process, as a *strategic* rather than substantive response. In either case, each response directly impacts on problem definition within the policy process. Again, as reiterated earlier in the thesis, the other 'strategic purposes' may not be intentional but may become available to the liberal democratic state for purposes beyond the immediate and intentional goals of the policy process. For example, the ambiguity of ESD may directly assist the state in the amelioration of political conflict, an apparent secondary, but crucial consideration.

Ambiguity also generates the framework for the provision of what Stone describes as a *Hobson's Choice.*[644] In the ESD process and specifically within the Manufacturing Working Group deliberations, the *apparent choice* is ESD whereas the *real choice* is continued micro-macro economic reform. This is demonstrated by the overwhelming influence of the DSP within the *context* elements of the ESD Manufacturing Reports hence providing a number of obstacles to the introduction of ESD that in turn have the effect of maintaining and reinforcing Dryzek's legitimising imperatives. Here, the apparent choice is couched in the language of growth versus sustainable development; consensus versus continued political conflict. There is a linkage between a carefully constructed *Hobson's Choice* and the 'framing' of a policy problem, in that *Hobson's Choice* cuts off parts of something from our vision in the policy process.

In the *polis* the apparent choice, ESD masks the continuation of the *real* choice, mico-macro economic reform and the language of the *apparent* choice frames the political problem. Those who reject ESD are saddled with the implied consequence, continued levels of political conflict, threat of an implied 'capital flight', a lack of growth and little 'capacity' to address environmental issues. This 'capacity' to address 'environmental problems' is a core DSP

[644] For a definition of *Hobson's Choice* see Chapter Three.

discourse code, advocated by industry groups and the ESD Discussion Paper. In other words, ESD needs to be 'affordable'.

Policy Discourse Analysis and ESD

Policy discourse analysis offered the opportunity to *explore* (creating an analytical lens) and *explain* (through demonstration) the normative tensions and paradoxes within the ESD process with particular reference to the Manufacturing Working Group Reports. This analysis demonstrated that the response to ESD is framed within the broader micro and macro economic reform agenda. In summary, the macro economic agenda of restructuring drove the response to the ESD process – so environmental issues such as potential climate change were considered within the requirements of the broader economic framework. This establishes a clear economic bottom line. There are a number of elements that constitute this broad response to the thesis research questions.

First, the issue is not whether there will be growth but rather what *kind* of growth – in this case study, 'sustainable growth' not the proclaimed goal of 'ecologically sustainable development'. This has the added policy bonus of linking

environmental policy to the broader macro-micro reform agenda, a key goal of government 'post-Wesley Vale'.

Second, the state's historical preference for a 'more balanced approach' placed limits on the extent of integration. This *status quo* position was assisted by three issues: the bureaucratic 'framing' of the ESD Discussion Paper, the consequent decision to use a sectoral approach to the ESD Working Groups and finally, the 'implementation' of ESD was confined to the ICESD.

Third, it is clear that the adoption of ESD principles will be done on the basis of cost-effectiveness. In other words, only when the transition to a competitive, diverse and flexible market place is established in the domestic economy will these principles be adopted.

Fourth, technology is both a problem and a solution in the implementation of ESD principles. The 'problem' here is that there is not enough nor appropriate technology, to address the issues, because if there were, technology would, in turn, be the solution.

Fifth, ESD principles are 'strategically' couched (or framed) within social justice parameters relating to impacts

on 'income, personal freedoms and the other things we value'. As such, social justice parameters rather than promote ESD are seen to be *impediments* to its implementation, a position ironically supported (in a political sense) by the industry peak body, the BCA, in responding to the ESD Discussion Paper and flowing through to both ESD Manufacturing Working Group Reports.

Sixth, as a consequence of this 'framing', intra and inter generational equity are not linked within an integration focus but are firmly set on the capacity of equity to be delivered to the current generation, rather than reviewing limitations in order to address future equity issues. Hence inter generational concerns are linked to the economic and social implications – particularly, unemployment – that might arise in industries that do not adopt ESD principles. As a consequence there is no explicit recognition that equity is a broader issue than economic considerations. Issues and responses that are encompassed within the NEP, for example, maintenance of the ecosystem and the protection of biodiversity are neglected.

Seventh, 'commons' problems are management issues, with little substantive consideration of the extent to which there are limits on non-renewable resources.

Eighth, 'caution and risk' are seen in immediate economic terms rather in terms of potential long term environmental risk. There is little substantive support for the 'precautionary principle' in the ESD Manufacturing sector reports.

Finally, the ESD focus is educative and suggestive rather than proactive. There is little understanding that generating a 'cost' regarding environmental assets does not necessarily protect their ecological integrity. Significantly, social justice components are seen to be a brake on the application of ESD principles. Again, this is an important 'strategic representation' of ESD that assists the maintenance of Dryzek's legitimising imperative.

Discourse Analysis and Policy Analysis

This thesis has utilised discourse analysis in order to demonstrate its efficacy in providing *another* important lens on an increasingly complex field of public policy analysis, environmental policy. It is argued that discourse analysis is a useful and insightful policy tool that adds another important dimension to policy analysis: the significance of language.

The linkage between language, ambiguity and symbolism to Stone's notion of the *polis* and its emphasis on 'strategic representation' reinforces one of the central arguments of this thesis: it is through language, embodying ideas, that we experience politics. The language chosen defines the problem and the solution through strategic representation. It is through the analysis of that strategic representation – discourse analysis – that we can establish *how* liberal democratic states respond to the challenge of environmentalism.

The aspects of the policy process that are highlighted by the application of discourse analysis are: first, the construction and use of specific discourses as a form of policy hegemony: DSP, NEP and indeed, ESD; second, the central role of specific forms of organising policy communities and networks to create, manipulate and exclude discourses. The institutionalisation of the ESD process within a corporatist framework is *demonstrated* by this analysis rather than being merely asserted or assumed. This is a significant additional layer of understanding and explanation given the relevance of corporatist analysis to this case study; third, the tendencies of various values, ideas, interests and resources to form clusters and become a specific discourse and to be juxtaposed with other discourses. This provides an opportunity for

complex, differential, ideas and values to become recognisable 'orders of discourse' that in turn determine the bureaucratic, industry and green 'discourse codes'; fourth, the structure and utilisation of argument, persuasion, rhetoric, ambiguity and symbols are central to explaining policy outcomes and hence reinforce the argument that 'language matters'; finally, the link between the ambiguity of symbols and hegemony demonstrates Stone's notion that problem definition is never clear cut and easy to define, rather it is the *strategic representation* of situations (see Chapter Three). This *strategic representation* is demonstrated in the various positions adopted in relation to the NSESD framework and the 'framing' of the responses within the competing DSP and NEP discourses.

ESD, Hegemony and the *Polis*

ESD has emerged as both a hegemonic and an ambiguous discourse.[645] It is hegemonic in the sense that in the early 1990s it provided the rhetorical framework for all discussions around

[645] The issue here is not that ESD *is* an ambiguous, yet hegemonic discourse. This should come as no surprise given the highly contested discursive space from which ESD emerged. Ambiguity emerges in policy because in the modern *polis*, behind every policy issue lurks a contest over ideas and values, that gives rise to equally plausible conceptions of the same abstract goal. Essentially, political concepts are paradoxes, they have contradictory meanings that by logic ought to be mutually exclusive but by political reason are not. Hence symbolic strategic representation is the essence of problem definition in the *polis*.

resource management, assuming a 'motherhood' status. An ambiguous hegemonic discourse, such as sustainable development (in its various international guises), emerge where ideas about policy are fought out within a policy process more akin to the characteristics of the policy where 'outcomes' are determined by the promotion of strategically crafted argument. The thesis argues that this is why Gramsci's notion of hegemony (as an unstable equilibrium) is pertinent. Gramsci's view of hegemony is more subtle than the identification of structural power and dominance, it reflects an accurate analysis of the nature (discursive) of modern public policy processes. Power and dominance in the modern *polis* , as Stone argues, requires subtle tools of manipulation and control, strategically crafted argument. The use of symbolism through language – particularly metaphor and ambiguity – was a characteristic of Gramsci's notion of hegemony. However, meanings around ESD are highly ambiguous, as a consequence of the competing claims within the political process. It is this ambiguity emerging from a policy process framed by the state (ESD Discussion Paper, sectoral approach, ICESD) which masks its power to pursue its structural imperatives. This is demonstrated in the lack of 'substantive' policy recommendations within the NSESD and the dominance of *contextual* elements both within the NSESD and the ESD Manufacturing Working Group Reports.

The institutionalisation of political conflict, so successful within the ESD process, masked the dominance of the structural imperatives of the state. It was particularly effective in masking the accumulative imperative, and the legitimising imperative where the market is proclaimed as the panacea for the resolution of political conflict; problem definition; decision-making; implementation and evaluation. Analysis of contending discourses show how the 'market' was a significant component of the DSP's framing of the Manufacturing sector response to ESD. This is highlighted in the areas of *decision making, context and policy tools* where the 'market' is prevalent both within the discussions and recommendations of the Working Group. The institutionalisation of political conflict, demonstrated in this ESD case study, raises a number of issues about the relationship between democracy, the state, public policy and citizenship, especially for minority groups, such as green political groups. These 'concerns' form the basis for future research.

Prospects for Further Research: Public Policy and Citizenship

One hypothesis pertinent for future research that derives from the analysis provided by case study, is that public policies *shape* the processes of democracy and hence frame citizenship, *not*

vice versa. This hypothesis therefore confronts one of the core assumptions of some analysts and theorists working in public policy. This core assumption is that *more* democracy - participation, deliberation, and consensus decision-making - will give rise to public policy outcomes, which are better able to meet the demands of stakeholders in increasingly complex pluralistic societies. From this democratisation, it is assumed that responsible citizenship will emerge. The analysis provided by this thesis suggests that minority groups – resistant discourses – should concern themselves less with the kinds of policies a democratic society should or does produce, and concentrate their efforts on critically examining *how* public policies shape the processes of democracy.

Policy design under the institutionalisation of political conflict, such as ESD, sends messages about the limited role of government, a dichotomy between citizens that are deserving (a select few, so called peak bodies) and undeserving (the resistant rest), and what sort of participation is decreed to be appropriate in democratic societies. Under this institutionalisation appropriate participation means any participation that does not generate undue levels of political conflict. This essentially means that public policy is formulated and transmitted to the ever grateful stakeholders for endorsement and hence 'ownership'. What is of interest here is the observation that democratic process like ESD do not by themselves accord a responsible citizenship. Indeed, they tend to impose an

appropriate citizenship by framing the public policy processes around the legitimising tasks of the liberal democratic state.

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